

STATE OF TENNESSEE

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The Budget

FISCAL YEAR 2004-2005



Phil Bredesen, Governor

STATE OF TENNESSEE



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Phil Bredesen, Governor



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Governor





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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State of Tennessee

For the Fiscal Year Beginning

July 1, 2003

President

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The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for its annual budget for the fiscal year beginning July 1, 2003.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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Introduction

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STATE OF TENNESSEE

PHIL BREDESEN
GOVERNOR

February 2, 2004

To the Members of the 103rd General Assembly:

I am pleased to recommend to you the 2004-2005 Budget for the State of Tennessee.

We have emerged from a transitional year with our state's finances restored to a solid footing. A year ago, we made difficult and often painful budget decisions, but they laid the groundwork for managing our state government within the means we had available. Today, with a more solid base from which to work, an improving economy, and good revenue collections, we have an opportunity to make some long-lasting investments for the people of Tennessee.

That is not to say we are out of the woods. It is absolutely essential that we continue to prioritize and to exercise restraint and conservatism in our spending.

Revenue collections are good in the current year and combined with our expense control are expected to produce a surplus. We propose to use this surplus to fund significant one-time needs, so that we can begin to invest in our long-range priorities in fiscal year 2004-2005. And while the improved revenue collections suggest better recurring revenue growth for next year than the state has experienced in recent years, the on-going needs in education, health care, and social services exceed the growth in revenues. This means that we must again revisit the base budget of state programs and reallocate funds to the most essential services.

The base reductions recommended in this budget are not as severe as proposed a year ago, but the choices still are difficult. Last year, the proposed 9 percent reduction in the discretionary base appropriations affected not only state programs, including higher education at 9 percent, but also reduced state taxes shared with cities and counties. In the budget for next year, the reduction from the discretionary base appropriation averages 3.7 percent. The higher education reduction in its operating budget is 3.1 percent through a combination of a base budget reduction of \$9.2 million and a requirement to fund a \$24.6 million portion of salary increases from tuition or further budget reductions. As anticipated, the redistribution of state-shared taxes remains the same as enacted last year and the highway fund transfer continues. No increase is proposed in either of these transfers.

While I am sorry that it is necessary to make any reduction in state support for the operating budgets of public colleges, universities, and technology centers, I am proposing in this budget to

invest \$171 million for capital projects and capital maintenance at our higher education institutions. In order to reach the first 11 capital building projects on the Tennessee Higher Education Commission priority list, I am challenging the campus presidents and chancellors to raise \$1 in capital project gifts for each \$2 invested by the state. The capital maintenance projects, \$77 million of the total, will be fully funded by the state.

The base budget reductions in state programs were carefully evaluated following public budget hearings in November. Only the K-12 Basic Education Program, a very limited number of Constitutional and statutory appropriation requirements, and programs funded from dedicated revenue sources were held harmless from the discretionary base review. The TennCare program and all other general fund programs got close scrutiny.

Base budget reductions I am recommending throughout state government will allow the reinvestment of \$199.5 million in recurring state appropriations in K-12 education and other programs important to the long-term well-being of the people of Tennessee.

I recommend improvements in these important areas:

K-12 Teacher Salary Equalization – Additional funds for K-12 teacher salary equalization are provided through an altered Basic Education Program (“BEP”) funding formula. These funds will address the Constitutional issue of teacher salary equalization pursuant to the Tennessee Supreme Court’s decision in the Small Schools III case, and are the result of the efforts of the committee I established to determine how to best meet the requirements of the court decision and the needs of the smaller school districts.

This solution changes the funding formula and improves the salary distribution system. The new BEP instructional salary component will become \$34,000 next year, up from the current 136-system starting average of \$28,330, and will be reviewed annually. The Commissioner of Education will prepare a revised state minimum salary schedule to implement the distribution of these new instructional salary funds. The plan directs funds to the lowest-paying systems, and a hold harmless provision will ensure that no system receives less BEP instructional salary funding than in the current year. Tennessee’s average teacher salary is estimated to increase from \$39,799 to \$43,127, which is significantly above the current \$41,888 Southeast average.

K-12 Basic Education Program – The Basic Education Program is fully funded for the eighth straight year in 2004-2005.

TeachTennessee – The *TeachTennessee* initiative challenges highly-motivated, mid-career professionals to answer the call to teach in the hardest-to-staff schools and in high-need subject areas. This will help address the teacher shortage in under-staffed areas and will streamline the application process to match candidates with participating school districts. In this budget, this is a small experimental project that will be expanded in future budgets if successful.

Governor's Schools – The Governor's Schools for gifted students will be extended from four to six weeks. These summer enrichment programs in science, the arts, and humanities will focus on advanced core subjects that challenge Tennessee's best and brightest high school students.

Other K-12 Education Programs – The budget also includes funds for education technology directed at satisfying federal accountability standards. In addition, we have provided that if lottery funds are available in excess of scholarship commitments, pre-kindergarten and early childhood education programs will be expanded and after-school programs will be provided.

Imagination Library – This initiative will provide seed capital to begin the Imagination Library program through a public-private partnership. The goal of the program is to allow every child from birth to the beginning of kindergarten to receive a book per month. Early childhood reading initiatives have a significant impact on a child's ability to learn. The goal is to have every child reading at grade level by the end of the third grade.

Economic Development – From non-recurring funds, I recommend appropriations for high-quality job expansions. This includes job training funds and infrastructure improvements supporting automotive plant expansions that will initially provide a total of 1,000 jobs in Jackson, Smyrna, and Dechard. In addition, the budget includes non-recurring funds to maintain the FastTrack Infrastructure Development Program, formerly Tennessee Industrial Infrastructure Program (TIIP), at the current-year appropriation level.

TennCare – Essential health care for underprivileged, uninsured, and uninsurable Tennesseans will require additional funds. This results from medical, dental, behavioral health, and pharmacy inflation costs, as well as from population growth and the needs of the elderly, the mentally ill and developmentally disabled, and children's services programs. The inflationary increases are significant and unsustainable over the long-term. Therefore, I also am recommending in this budget a base reduction in TennCare which will offset about a third of these costs. TennCare remains under the microscope, and I will address this session of the General Assembly with a prescription for the long-term health of the program.

Human Services – Because of caseload growth related to the economy, a significant appropriation increase is required for cash assistance grants and child care assistance in the Temporary Assistance for Needy Families ("TANF") program. Almost half of this Families First program increase is offset by base budget reductions in the department's programs.

Mental Retardation – Additional community placements and services for the mentally retarded are needed, and case management and administrative support improvements also are recommended. These recommendations follow administrative changes and development of the blueprint for resolving legal issues in this program.

Child Advocacy Centers – State support for 13 more Child Advocacy Centers, in addition to the 11 centers currently receiving support, is recommended. These community-organized centers already exist and are funded through a variety of contributions, and coordinate efforts of child

welfare staff, local law enforcement, and district attorneys in the investigation and prosecution of child abuse cases. This will treat these 13 remaining centers the same as the initial 11.

Child Welfare – Improvements are recommended to address adoption assistance caseload, to increase rates for foster parents and adoptive parents, and to address the disparity in adoption assistance rates, as provided in the Brian A settlement agreement.

Environmental Quality – From a portion of the real estate transfer tax, I recommend an appropriation of \$10 million of non-recurring funds for wetlands acquisition, state lands acquisition, local parks land acquisition, and agricultural conservation. This begins the process of restoring the funds that were needed last year from the program. In addition, I recommend a \$10 million one-time general fund appropriation to assist the leaking underground storage tank program in addressing liabilities which the current dedicated fees are not sufficient to pay. This is part of a more comprehensive effort to restore solvency to that fund.

Prisons and Jails – State prison health services, prison contract agreements, and the use of local jails for housing felons require additional funding. However, I recommend an expansion of the community corrections program and further changes in the local-jail payments to restrain the cost of housing felons locally.

Information Systems Development – Using non-recurring funds, I recommend an appropriation for multi-agency information systems development projects.

Salaries and Benefits – The salary policy recommendation for employees has three parts: a pay raise, a salary bonus, and classification-compensation adjustments in state job classes. The combination of a recurring pay raise and a one-time bonus equals 3 percent in 2004-2005.

The budget includes funds for a recurring 2 percent salary increase on July 1, 2004, for state and higher education employees and K-12 teachers and staff. (For higher education, the recommendation includes funds for the raise in the non-tuition units; the other units will provide for the 2 percent raise from tuition funds or further budget reductions.) In addition, the budget includes non-recurring funds for a 1 percent one-time salary bonus for state and higher education employees and K-12 teachers and staff.

I also recommend a recurring \$7.5 million appropriation to address classification-compensation salary adjustment issues for state employees.

The statutory pay raises for judges and the Attorney General and the statutory step raises for assistant district attorneys, assistant public defenders, investigators, and Troopers are funded. In addition, the salary survey raises for Troopers and wildlife officers are funded at one-half the survey results.

Recurring funds also are provided for the retirement system rate increase affecting state and higher education agencies and local education agencies on behalf of employees and for the state share of the group health insurance premium increases.

Capital Outlay – Aside from the \$94 million targeted to 11 higher education capital projects discussed above, almost all of the requested higher education capital maintenance request is funded, a total of \$77 million. In addition, the capital budget includes funds for the Memphis bio-technology project, the Oak Ridge biological sciences building, the Metro detention facility in Nashville, the Tennessee Theatre project in Knoxville, a new Western mental health institute, and additional funds required for the prisons, including Morgan County.

The Budget Document describes the recommended improvements in detail. The base budget is presented program by program; recommended improvements are explained; performance measures and program information are listed at length following the program statements. In addition, a separate volume describing the base budget reductions by program will be provided to you.

This budget is built from reasonable revenue estimates, based upon Funding Board advice. Estimates for the new lottery revenue and appropriations for lottery-funded higher education scholarships will need to be revisited when the Funding Board reconvenes to analyze revenues in the spring.

I am pleased to recommend an increase in the revenue fluctuation reserve (“rainy-day fund”) of \$55.5 million. Of this total, \$49.750 million is in accordance with law, and the remainder serves to further increase the fund in a discretionary manner. We were able in the last fiscal year to avoid any drawdown of these funds, and this year we are in a position to honor the legal requirement you established to place 10% of the expected revenue growth in the fund. Expanding this fund is an important priority to reestablish our fiscal credibility.

My staff and I look forward to working with the members of the General Assembly on this budget, the Appropriations Bill, related legislation, and other issues of interest to you.

Sincerely,

Phil Bredesen
Governor of the State of Tennessee



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
COMMISSIONER

February 2, 2004

The Honorable Phil Bredesen
State Capitol
Nashville, Tennessee 37243

Dear Governor Bredesen:

I am pleased to submit to you the fiscal year 2004-2005 Budget Document.

The budget is based on realistic revenue estimates, a thorough review of the base budget of all agencies, and an analysis of the program improvement needs of each agency, weighed against your direction to live within our means and invest in education.

The total state budget for 2004-2005 is \$23.8 billion, with \$10.7 billion from state appropriations, \$9.1 billion from federal funds, and \$4 billion from other departmental revenues, higher education tuition and student fees, and bonds for highway projects and capital outlay.

Our mid-year review of tax collections and advice from the State Funding Board have resulted in our revising the current-year estimate of taxes collected by the Department of Revenue. In the general fund for fiscal year 2003-2004, we expect to collect \$163.4 million more than originally estimated. This is a current-year 6.09 percent general fund growth rate above the actual 2002-2003 Department of Revenue tax collections. For 2004-2005, general fund taxes are estimated to grow by \$476.5 million above the original estimate for the current year, or \$497.5 million above the original current-year recurring estimate. This reflects a 4.24 percent general fund growth rate above the revised estimate for the current year, although some of that growth would be apportioned to the debt service fund to support capital outlay bonds. Both of these growth rates are within the range of growth recommended by the State Funding Board.

Despite good revenue growth, recurring appropriation requirements for state services exceed the revenues available. In order to balance the budget as Constitutionally required, base budget reductions are necessary again. The \$65.8 million transfer from the highway fund to the general fund again is necessary in 2004-2005, and the redistribution of cities and counties state-shared taxes remains the same as enacted last year. In state agency programs, we have made reductions averaging 3.7 percent of discretionary appropriations. The higher education operating budget reduction is 3.1 percent; this is a combination of a \$9.2 million base reduction and a requirement to fund a \$24.6 million portion of recommended salary increases from tuition or further budget reductions. Held harmless from the reductions are the K-12 Basic Education Program, a few

programs having Constitutional or statutory appropriation requirements, and programs funded by dedicated taxes or fees. Within the Executive Branch, based upon agency base budget reduction plans, we decided not to reduce the base of a few small agencies, where we considered the impact to be severely detrimental to direct services. The base reductions yield \$199.5 million in savings, of which \$112.5 million is from anticipated savings in the TennCare pharmacy program.

The \$199.5 million savings from the statewide base budget reductions is reinvested in K-12 education and other essential improvement needs.

The total state-funded improvement for K-12 education is \$164.8 million, including \$35 million for teacher salary equalization through the Basic Education Program (BEP) formula; \$50.1 million to fully fund the BEP formula for the eighth straight year; \$36.6 million for a 2 percent salary increase and \$18.3 million for a one-time 1 percent salary bonus for teachers and BEP-funded staff; \$18.8 million for group health insurance rate increases; \$2.4 million for the increased number of infants and toddlers requiring disability educational services; \$500,000 for the *TeachTennessee* initiative challenging highly-motivated, mid-career professionals to teach in the hardest-to-staff schools and in high-need subjects; \$750,000 to expand from four to six weeks the Governor's Schools summer enrichment program for gifted students; and \$2 million for education technology software designed to assist in accountability measurement. In addition, interdepartmental funds of \$10 million for lottery-funded education programs is recommended, if funds are available from the lottery, including \$8 million for a pre-kindergarten and early childhood education program expansion and \$2 million for after-school programs.

The teacher salary equalization funds are recommended to address the Constitutional issue decided by the Tennessee Supreme Court in the Small Schools III case. This solution changes the funding formula and improves the salary distribution system. The new BEP instructional salary component becomes \$34,000, up from the current 136-system starting average of \$28,330, and will be reviewed annually. The Commissioner of Education will prepare a revised state minimum salary schedule to implement the distribution of these new instructional salary funds. The solution includes an annual review process to provide an early warning of salary disparities among school districts and to review the cost-driven salary component. The plan directs funds to the lowest paying systems. An estimated 122 systems with 48,600 teachers will receive new instructional salary dollars through the BEP formula. A hold-harmless provision will ensure that no system receives less BEP instructional salary funding than in the current year. Under this solution, Tennessee's average teacher salary is estimated to increase from \$39,799 to \$43,127, which is above the current \$41,888 Southeast average.

The Imagination Library initiative is funded with a \$2 million non-recurring appropriation. This will expand the program through a public-private partnership. The goal is to allow every child from birth to the beginning of kindergarten to receive a book per month. This initiative supports the goal to have every child reading at grade level by the end of the third grade.

For economic development, \$17.1 million from non-recurring funds is recommended to support high-quality job initiatives. This includes job training and infrastructure improvements for automotive plant expansions at Jackson, Smyrna, and Dechard, producing 1,000 jobs initially. In

addition, \$1.5 million from non-recurring state funds is recommended to maintain the FastTrack Infrastructure Development program, formerly Tennessee Industrial Infrastructure Program (TIIP), at the current-year funding level.

In the TennCare program, providing health-care benefits to the Medicaid-eligible, the uninsured, and the uninsurable requires an improvement of \$352.8 million, including \$12.9 million attributable to Mental Retardation Division programs. The TennCare program requirements result mainly from medical, dental, behavioral health, and pharmacy inflation costs and from population growth. About a third of the direct TennCare improvement is offset by the \$112.5 million TennCare base budget reduction.

In addition to the TennCare appropriation increase for mental retardation services, the Mental Retardation Division budget includes a state-funded improvement of \$24 million for additional community placements, case management, and administrative support and for an offset to the loss of federal funds which cannot currently be collected. These funds will help implement the blueprint for resolving legal issues in the mental retardation services program. The federal funds replacement amounts to \$11.5 million from non-recurring funds, assuming that the federal funding issues can be resolved over time in the state's favor.

Families First, the state's Temporary Assistance to Needy Families program, requires an additional \$33.4 million for cash assistance grants and \$33.2 million for child care assistance. In addition, \$1.5 million more is required for Food Stamp electronic transaction costs. Both the Families First and Food Stamp improvements are related to economic factors. The Families First cash assistance and child care assistance items are funded with non-recurring state funds. Also, Families First differential grants for child-only and elderly and disabled cases are recommended for a non-recurring appropriation of \$10.5 million to offset a recurring base budget reduction in this program.

In the Department of Children's Services, the budget includes \$650,000 to support 13 more existing Child Advocacy Centers at \$50,000 each, and this is in addition to the 11 centers currently receiving state support. Other child welfare recommendations include \$3.4 million to address adoption assistance caseload, to increase rates for foster parents and adoptive parents, and to address the disparity in adoption assistance rates, all as provided in the Brian A lawsuit settlement agreement, and for child protective services staffing related to children in state custody. Funds also are provided to complete the funding of the new secure female facility on the Woodland Hills Youth Development Center campus.

From the real estate transfer tax, \$10 million is allocated from non-recurring funds for the wetlands acquisition, state lands acquisition, local parks land acquisition, and agricultural resources conservation funds. The share of the appropriation that each program receives follows the ratios detailed in law.

A \$10 million non-recurring general fund appropriation is recommended for the leaking underground storage tank program, in order to assist the program in addressing liabilities which the current dedicated fees are not sufficient to pay. Also in the Department of Environment and

Conservation, an appropriation of \$1.4 million from the environmental protection fund is recommended in order to provide 21 positions to assist in meeting new federal air quality rules.

An improvement of \$17.8 million in the Correction Department is recommended, including \$13.2 million for the increased state felon population in local jails; \$1.9 million for prison service agreement inflationary costs; and \$2.2 million for prison health services. The cost of the local-jail payments improvement is partly offset by a base budget reduction intended to restrain the cost of housing state felons in local jails and is discounted to reflect a recommended 264-felon expansion of the community corrections program. The Administration intends to monitor the effectiveness of this expansion in diverting non-violent offenders from the prisons and local jails.

The budget includes a non-recurring appropriation of \$38 million for multi-agency information systems development projects.

Salary improvement funds for employees are recommended in three parts: a recurring raise, a one-time salary bonus, and classification-compensation adjustments in state job classes. The combination of the recurring raise and the one-time bonus equals 3 percent in fiscal year 2004-2005. The costs for K-12 education personnel are detailed above. For state and higher education employees, the cost of a recurring 2 percent salary increase on July 1, 2004, is \$24.2 million. (For higher education, the recommendation includes state appropriations for the pay raise in the non-tuition units; the other units will provide a 2 percent raise from tuition funds or further budget reductions.) The cost of the one-time 1 percent salary bonus for state and higher education employees is \$24.4 million. In addition, from recurring funds, \$7.5 million is recommended for the classification-compensation salary adjustment for state employees.

The budget also funds the statutory salary increases for the judges, the Attorney General and Reporter, assistant district attorneys general and criminal investigators, assistant public defenders, and assistant post-conviction defenders, as well as the Troopers' salary step plan. The salary survey raises for the Troopers and wildlife officers are recommended and funded at one-half of the survey results.

In addition, the budget includes funds for additional employee benefits costs. The retirement system rate increase, paid by state agencies on behalf of state and higher education employees and local education staff, is funded at \$73.4 million from recurring general fund appropriations. In addition, the state agency and higher education shares of the employee group health insurance premium increases are funded at \$27.3 million. This annualizes the January 1, 2004, rate increase that is funded for a half year in the current budget and provides for the six-month cost of a January 1, 2005, health insurance rate increase.

The capital outlay budget totals \$391.6 million, including \$45.2 million from non-recurring appropriations, \$269.4 million from bonds, \$9.5 million from federal funds, and \$67.5 million from other revenues. The 11 higher education capital projects cost a total of \$141.84 million, funded by \$93.98 million from bonds, \$47.28 million from higher education fund-raising, and \$580,000 from state appropriations. The higher education capital maintenance request is funded

by the state at a total of \$77 million, funded by a combination of bonds and cash. The total higher education capital outlay recommendation is \$218.8 million.

The higher education capital maintenance recommendation in this budget is more than the cumulative amount enacted for higher education capital maintenance in the last three budgets combined.

Additional capital outlay recommended includes: \$10 million from state bonds to match \$5 million in local funds for the Memphis bio-technology project; \$7.6 million for the Oak Ridge biological science building; \$10.275 million for a Metro detention facility in Nashville; \$56.5 million for a new Western mental health institute; \$38.85 million in additional funds required for the prisons, including Morgan County; \$737,000 for improvements at the three veterans cemeteries; and \$22.665 million for maintenance of state facilities.

Recommended program improvements and capital outlay projects are explained in detail in the Budget Document. In addition, base reductions reflected in the Budget Document are explained in detail in a separate base budget reductions volume. The Budget Document includes a new section presenting the performance-based budgets of four agencies.

Estimates of revenue from the new lottery and recommended appropriations for lottery-funded higher education scholarships will need to be reviewed when the State Funding Board reconvenes to analyze state revenues in the spring.

The recommended budget increases the revenue fluctuation reserve by \$55.5 million, from the current \$178 million to \$233.5 million at June 30, 2005. The \$55.5 million increase is more than the \$49.750 million increase required by law. This rainy day fund allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. We should maintain this fund for that economic circumstance. When revenue collections permit, we should add to the reserve, as proposed in this budget.

I recommend that you advise the General Assembly to remain conservative in estimating revenues and retain the recommended increase for the rainy day fund, as legislative work on the budget proceeds.

Respectfully Submitted,

M. D. Goetz, Jr.
Commissioner of Finance and Administration

The Budget Document

Introduction

Tennessee Code Annotated, Section 9-4-5106, requires that the financial plan of Tennessee's state government be presented in four parts:

1. Financial Policy

The state's financial policy, contrasting the relationships between expenditures and revenues from all sources that are estimated for the ensuing fiscal year with the corresponding figures for the latest completed fiscal year and the fiscal year in progress; and a budget summary;

2. State Appropriations and Taxes, Excluding Dedicated Funds

Appropriations and tax estimates from general state tax sources, excluding appropriations from dedicated tax sources; this is the so-called "State Taxpayers Budget";

3. Detailed Budget Estimates

Estimates of expenditures and revenues, including all funding sources; program statements and performance measures; statement of the state's bonded indebtedness, detailing redemption requirements until retirement, the net and gross debt of the state, and condition of the sinking fund; and

4. Appropriations Bill and Other Budget Bills

The General Appropriations Bill, whereby the General Assembly gives legal sanction to the financial plan it adopts. Upon passage, this bill appropriates by agency and fund the expenditures for the ensuing fiscal year. The revenues by which these expenditures are financed also are detailed in this bill. In addition, other bills required to give legal sanction to the financial plan must be filed.

Parts one, two, and three are included in the Budget Document. The format of the Budget Document is reviewed annually for clarity and content. Part four, the Appropriations Bill and other budget legislation, such as the Bond Authorization Bill, are separate documents.

The "Introduction" section of the Budget Document begins with a transmittal letter from the Governor to the General Assembly and a transmittal letter from the Commissioner of Finance and Administration to the Governor. These letters summarize the policy and financial recommendations included in the document.

The roles of the various branches of government in the budget process then are described in "The Budget Process" narrative. The General Assembly, or Legislative Branch, makes the laws; the Judicial Branch interprets these laws; while the Executive Branch, headed by the Governor, has the Constitutional duty to administer and execute duties and functions that have been enacted into law by the General Assembly.

The "Budget Process" explanation is followed by a subsection entitled "Basis of Budgeting and Accounting," which explains how the Budget is presented and some of the mysteries of accounting.

Following the budget and accounting basis explanation is a statement of the Administration's priorities, followed by a history of major programs.

The next section of the Budget Document, entitled "Budget Overview," is a brief summary of the total budget.

This overview is a series of charts and schedules that summarize the Budget. The total state budget and the General Fund budget are represented by pie charts that detail each major tax and each functional area for the recommended budget. Tennessee's current tax structure has the majority of its tax revenue coming from the

The Budget Document

sales tax, the largest portion of which funds education.

The overview schedules clarify and detail the expenditures, revenue sources, and personnel requirements of state government.

The Budget document has several total budget schedules comparing programs by funding source and showing how those funds are derived.

Also included are tables that list, by department, the improvements proposed for the next fiscal year.

There are two charts that provide the total fund balance available, indicating the appropriation requirements and the General Fund and Education Fund revenues and reserves available to meet that need. These two charts are titled "General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues" for the current year and next (or recommended budget) year. These charts show how the budget is balanced against General Fund and Education Fund tax revenues for the two fiscal years. Due to its unique funding source, the Department of Transportation is highlighted separately with its detailed funding requirements.

All agencies and departments are included in the summary comparison schedules by program and funding source.

Other schedules provide detail on the supplemental appropriations required to maintain programs in the current fiscal year, the Constitutional spending limitation requirement, and a summary of personnel and funding for all state agencies and higher education institutions.

The "Economic Overview" narrative discusses the relative trends and impacts of Tennessee's economy on state revenues. A "Tennessee Characteristics" section includes demographic and physical statistics on the state. The Budget Document also includes an historical analysis of the effect on the state budget of federal aid trends and federally mandated costs.

The section entitled "State Tax Revenues" lists the various sources of revenue, the collecting agencies, and the

statutory apportionment among the various funds: the General Fund, Education Fund, Highway Fund, Sinking (or Debt Service) Fund, and Cities and Counties Fund. A comparison of collections by fiscal year is presented on the remaining pages of that section.

Included in the "Financial Statements" section are the comparative balance sheets for the General Fund, Education Fund, and Highway Fund as of June 30 for the two prior years. This schedule is followed by the expenditures and requirements of the Debt Service Fund for the previous, current, and subsequent fiscal years. A Debt Service Fund comparative balance sheet also is included. The status of the various authorized and unissued bonds is given in a schedule of bonds and appropriations made for capital purposes in lieu of bond issuance. The statement of bonded indebtedness presents the retirement schedule for the state's bonded debt. The cost of outstanding bonds is reflected as principal and interest.

The proposed capital outlay for the ensuing fiscal year is included within the "Capital Outlay Program" section. Specific projects are shown for each department impacted, with the statewide capital maintenance effort included among the items for the Department of Finance and Administration. Whether from current funds of the general fund, the sale of general obligation bonds, or from other sources, the proposed funding for each project is indicated.

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes. The "State Taxpayers Budget" excludes the dedicated funds, federal revenues, and other departmental revenues; it reports only appropriations from general state tax sources, along with estimates of the general taxes.

Next is the "Performance-Based Budget" section. This includes three-year expenditure and funding comparisons and

The Budget Document

recommendations on the state agencies for whom performance-based recommendations are made, pursuant to the Governmental Accountability Act, Public Acts of 2002, Chapter 875. Performance standards and measures for each program are recommended. The expenditure and funding information duplicates information included later in the Budget Document, in the "Program Statements by Functional Area," discussed below.

Except for the "State Taxpayers Budget," all of the other summary charts and program statements in this Budget Document that deal with appropriations include appropriations from all state sources, both general taxes and dedicated taxes and fees.

The major portion of the Budget Document is "Program Statements by Functional Area." For presentation in the Budget Document, departments and agencies with related missions, programs, goals, and objectives are grouped, resulting in six functional areas. This enables legislators, policy-makers, and citizens to have a better concept of the magnitude and costs of services provided through the various functional areas of state government.

At the beginning of each functional presentation is an introduction to the associated agencies, followed by a list of the improvement items that are recommended for that area of state government. The improvement list is followed by tables that show the total expenditures, funding sources, and personnel of each functional area.

The activities and responsibilities of the departments and agencies are explained through narrative descriptions of each program.

Following this narrative, fiscal and personnel data are provided for the last completed year, the current year, and the next year. The next-year estimates include the level of funding and number of positions for the recommended base budget, program improvements, and the total recommended.

At the end of each functional area program statement is a table of performance measures and program information, covering the three years for which funding is displayed.

The final section of the document provides a glossary of terms and an index to permit easy reference to specific departments or programs.

A separate budget document supplement, subtitled "Volume 2: Base Budget Reductions," explains base budget reductions from the discretionary base by program. The discretionary appropriations exclude appropriations from dedicated taxes that are narrowly levied and earmarked for specific programs (explained in the "State Taxpayers Budget" section.) Discretionary appropriations also exclude a few programs held harmless because of the nature of the program, such as the Basic Education Program, providing state support to local school systems, and certain constitutional or statutory funding requirements in the judicial and legislative branches.

The Budget Process

Preparation of the Governor’s annual budget for the State of Tennessee is the responsibility of the Commissioner of Finance and Administration, who is the State Budget Director.

Within the Department of Finance and Administration, the Division of Budget is responsible for budget development. Preparation, deliberation, and execution of the budget is a continual process throughout the year. This process regularly involves the Legislative and Executive branches, with occasional counsel from the Judicial Branch. The following chart indicates the participants in the budgetary process and an approximate time schedule.

These electronic forms and instructions are distributed to the agencies in August. The deadline for completion and transmission of the budget requests is the first of October. During this preparation period, the staff of the Division of Budget meets as needed with agencies’ fiscal and program personnel to answer questions and provide assistance in developing their budget requests.

In addition to projecting expenditure levels, estimates of the major revenue sources, such as the sales, franchise, excise and gasoline taxes, are prepared for both the current and next fiscal years. The revenue estimates are prepared by the Commissioner of Finance and Administration after receiving advice from the State Funding Board, as required by TCA section 9-4-5202. All revenue estimates, including estimates for licenses and fees, are part of the budget review by the Commissioner of Finance and Administration, the Governor, and their staffs.

Function	Participants	Schedule
Planning and Estimation	Budget Division Departments and Agencies	July August September
Preparation of the Budget	Budget Division	October November December * January
Legislative Deliberation	General Assembly	* February-May
Budget Execution	Budget Division Legislative Committees Departments and Agencies	June-July

*Note: The law requires the Governor to submit the Budget to the General Assembly prior to February 1, except at the beginning of a gubernatorial term, when the deadline is prior to March 1; unless, in either case, the General Assembly by Joint Resolution authorizes a later date.

Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their budget requests to the Division of Budget.

Preparation of the Budget

Chapter 33 of the Public Acts of 1937 granted the Governor the authority and duty to develop and submit to the General Assembly a recommended budget. The law directs the Commissioner of Finance and Administration to prepare the budget in accordance with the Governor’s directives.

After the receipt of agency budget requests, analysts with the Division of Budget begin the process of balancing expenditures against estimated revenues. Within this constraint, funds must be provided for Administration initiatives of high priority, activities mandated by state or federal statute, and the day-to-day operation of state government.

Instructions for the agency budget requests include the submission of two levels of requests: (a) a base request, which accommodates the continuation of current services, and (b) an improvement request,

which includes funds to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level due to increased costs of providing current services.

Following analysis of the requests by the Division of Budget, detailed recommendations are made to the Commissioner of Finance and Administration. Meetings are convened with commissioners and directors of the departments and agencies by the Commissioner of Finance and Administration. A consensus is sought with the agencies as to the appropriate funding level for the upcoming year.

After these meetings are completed, the Budget Division staff makes any revisions that have been agreed upon and presents the estimates to the Commissioner of Finance and Administration for his and the Governor's consideration. The Governor and the commissioner review the recommendations resulting from these hearings and consider necessary alterations to fit within the scope of the Administration's initiatives and estimated revenues. The Governor may choose to conduct meetings or budget hearings with agency heads and may direct them to submit plans for further adjustments to their budgets.

After gubernatorial decisions have been finalized, the staff of the Division of Budget prepares the Budget Document for printing. Meanwhile, work begins on the Governor's Budget Message. The Budget must be presented to the General Assembly prior to February 1, or prior to March 1 when a newly elected Governor takes office, unless the General Assembly by joint resolution allows submission on a later date.

At the time the Budget Document and Budget Message are presented, the appropriation process is initiated. The Appropriations Bill, prepared by the Department of Finance and Administration, is introduced and referred to the Finance, Ways, and Means committees of both houses of the Legislature. The various standing committees of the houses may review those parts of the Appropriations

Bill that fall within their purviews. The departments often are invited to testify before these committees on issues relating to their budgets.

After these committees report their reviews, the Finance, Ways and Means committees begin hearings on the budget in its entirety. Again, the departments may testify, and the Commissioner of Finance and Administration is invited to discuss the budget recommendations. Considerations made by the committees include the fiscal impacts caused by other legislation introduced by the members of both houses, recommendations of other legislative committees, and Appropriations Bill amendments filed by members of the Legislature. The Finance, Ways and Means committees of each house report out the Appropriations Bill with any amendments they recommend.

The Appropriations Bill then is sent to Calendar committees of each house to be scheduled for floor action. The Senate and House of Representatives must pass the same Appropriations Bill in the same form for it to be enacted into law. Approval of the General Appropriations Bill usually occurs during the last week of the legislative session.

In signing the bill into law, the Governor may line-item veto or reduce specific appropriations. Or, he could veto the entire bill; but this rarely would be done. Any veto may be over-ridden by a majority of the elected members, each house acting separately.

Tennessee has a tradition of enacting a single General Appropriations Act each year.

Budget Execution

When passage of the Appropriations Bill is complete and is signed or enacted into law, the execution of the act begins. Two important concepts are involved: (a) the preparation of work programs and (b) the development of allotment controls.

Invariably, there are changes to the Budget Document presented by the Governor to the General Assembly. These

The Budget Process

changes are made by amending the Appropriations Act during the adoption process. Analysts of the Division of Budget and fiscal personnel in the departments and agencies have the responsibility of reconciling the approved Appropriations Act with the Budget Document. This may involve increases or decreases to the agency allotments. The Division of Budget establishes an annual allotment for each agency and division using the reconciled Appropriations Act. This annual allotment, called the official work program, is provided to the Division of Accounts as a means of spending control. The agencies and divisions spend against these allotments during the fiscal year.

Budget execution is a process that continues throughout the fiscal year. In addition to the daily review of numerous operational and personnel transaction requests, the budget analysts must ensure that the legislative intent of the Appropriations Act is being followed by the various departments and agencies.

Further legislative review and control is maintained through the Fiscal Review Committee, other oversight committees, and the Finance, Ways and Means committees.

In addition to the review of agency activities by these bodies, the Finance, Ways and Means committees must be informed of any new or expanded programs resulting from unanticipated departmental revenues. These revenues usually are new federal grants, but also may be other departmental revenues. When notice of unexpected revenue is received by an agency, the Commissioner of Finance and Administration, if he wants to approve the program expansion, may submit an expansion report to the chairmen of the finance committees for acknowledgement. Upon the chairmen's acknowledgement of the expansion report, the Commissioner of Finance and Administration may allot the additional departmental revenue to implement the proposed or expanded program.

Agencies may not expand programs or implement new programs on their own

authority. This expansion procedure is not used to increase allotments funded from state tax revenue sources. No appropriations from state tax sources may be increased except pursuant to appropriations made by law.

A transfer of appropriations between allotments for purposes other than those for which they were appropriated may not occur without the approval of the Commissioner of Finance and Administration and a committee comprised of the Speakers of the House and the Senate and the Comptroller of the Treasury.

Throughout the fiscal year, the Budget Division staff reviews the status of the various allotments and advises the Commissioner of Finance and Administration of any problems. At the end of the fiscal year, the Division of Budget has the responsibility of executing revisions to the annual allotments as a function of the accounts closing process.

Audit and Review

Post-audit and review also are functions that continue throughout the fiscal year. Post-audit is a responsibility of the Comptroller of the Treasury, an official elected by the General Assembly. The Division of State Audit, within the Comptroller's Office, has the duty of conducting, supervising, and monitoring the audits of all state departments and agencies. Intermediate care facilities receiving Medicaid funds also are within the purview of this division, and state grants to other entities also are subject to audit. In addition, program audits are performed to determine whether agencies are functioning efficiently.

The General Assembly also participates in a continuing review throughout the fiscal year. The Fiscal Review Committee, a bipartisan committee comprised of members from both houses, meets regularly when the General Assembly is not in session. Following a set agenda, members of this committee review audit reports and departmental personnel respond to inquiries about activities and programs under the

department's jurisdiction. In addition, legislative oversight committees conduct extensive review in areas of special interest, such as correctional issues and children's services. Joint legislative committees and subcommittees occasionally are appointed for in-depth study of specific areas.

Governmental Accountability: Performance-Based Budgeting and Strategic Planning

Chapter 875 of the Public Acts of 2002 enacted the Governmental Accountability Act. This law alters the budget law to require strategic planning and to begin the phase-in of performance-based budgeting in fiscal year 2004-2005. Although Executive Branch departments and some smaller agencies have developed strategic plans for years, all agencies now will be required by law to do so, beginning a year before being phased in to performance-based budgeting.

By July 1 each year, Executive Branch agencies, including higher education, will submit strategic plans to the Commissioner of Finance and Administration, who may require modifications. He must consolidate approved plans and submit them to the Governor and General Assembly by September 1 each year, beginning in 2003 for the performance-based agencies. The Judicial Branch, Comptroller of Treasury, State Treasurer, Secretary of State, Attorney General and Reporter, and Legislative Branch are not subject to strategic plan review by the Commissioner of Finance and Administration. They must submit plans separately to the General Assembly and Governor by September 1. The General Assembly retains final approval authority for agency strategic plan and performance measures through the general appropriations act.

In addition to setting forth program objectives, strategic plans must include performance measures and standards for each program, partly defined as a budgetary unit. Under this law, instructions for development of strategic plans and performance measures will be issued to Executive Branch agencies by the

Commissioner of Finance and Administration, who under other law also issues budget instructions to all agencies.

In 2002, at the direction of the Commissioner of Finance and Administration, a strategic planning function, previously free-standing in the department, was transferred into the Division of Budget. In these ways -- by definition of programs as budgetary units, by common authority to issue planning and budget instructions, and by inclusion of the strategic planning unit in the central executive Budget Office -- planning and budgeting in the Executive Branch now are closely linked.

Performance-based budget requests must be submitted by three agencies for fiscal year 2004-2005. The first four agencies designated by the Commissioner of Finance and Administration are the departments of Revenue, Safety, Environment and Conservation, and Human Services. All other Executive Branch agencies must be phased in to performance-based budgeting by fiscal year 2011-2012, on a schedule to be determined by the Commissioner of Finance and Administration.

The recommended Budget Document must include a program statement and performance measures. The Governmental Accountability Act requires the Commissioner of Finance and Administration to report annually, for agencies subject to performance-based budgeting, on compliance with strategic plans and performance measures. The report must be made to the Governor and the Senate and House Finance, Ways and Means committees. The Governmental Accountability Commission -- comprised of the Comptroller of the Treasury, Executive Director of the Fiscal Review Committee, and the Director of the Office of Legislative Budget Analysis -- must comment in writing to the Senate and House Finance committees on the commissioner's performance report. The Accountability Commission also may make recommendations to the finance committees

The Budget Process

on the strategic plan and actual performance of agencies subject to performance-based budgeting, on the reasonableness of recommended performance measures and standards, and on any other matter regarding strategic planning and program performance.

The performance report and commission comments must be made at a time to allow consideration of the reports while the Appropriations Bill is being considered by the Finance committees.

Also under the Governmental Accountability Act, as well as under other law, each state agency is subject to performance review by the Comptroller of the Treasury.

As enacted in 2002, the Governmental Accountability Act continues the Tennessee tradition of strong Executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong Executive budget development and budget execution responsibility, begun with the budget law of 1937. At the same time, the 2002 Act continues the prerogative of the General Assembly to alter agency plans and Executive recommendations through the Appropriations Act and to alter policy and exert oversight through the Legislative and performance review processes.

For further discussion of strategic planning and performance based budgeting, see the "Performance-Based Budget" section of this document.

Basis of Budgeting and Accounting

Budgeting Basis

The annual budget of the State of Tennessee is prepared on the modified accrual basis of accounting with several exceptions, principally the effect of encumbrance and highway construction contractual obligations. Unencumbered appropriations lapse at the end of each fiscal year, with the encumbered appropriations being carried forward to the next year. Most revenue collection estimates are presented on a modified accrual basis, consistent with the basis of accounting explained below.

The law requires the Governor to present his proposed budget to the General Assembly annually. The General Assembly enacts the budget through passage of a general appropriations act. This act appropriates funds at the program level. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget, in the form of the Appropriations Act, becomes the state's financial plan for the coming year.

Budgetary control is maintained at the program level by the individual departments and agencies, acting in conjunction with the Department of Finance and Administration. The latter has a Division of Budget and a Division of Accounts to execute budgetary controls. The Budget Document details the separation between payroll and operational funds by program. Any movement of funds between the payroll and operational funds requires approval and a revision to the budget by the Budget Division on behalf of the Commissioner of Finance and Administration and the Governor. Other budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, require certain executive and legislative branch approval, pursuant to law. This is discussed in detail in the "Budget Process" subsection. With proper legal authority, the Division of Budget, acting on behalf of the Governor

and Commissioner of Finance and Administration, may execute allotment (or budget) revisions. The line agencies may not make these revisions themselves. In Tennessee, as in other states, appropriation of funds is a legislative power, not an executive power. No expenditures may be made, and no allotments increased, except pursuant to appropriations made by law.

For Budget Document purposes, all funds are classified as **General Fund** except for the Department of Transportation (Transportation, or Highway, Fund), Capital Outlay (Capital Projects Fund), Facilities Revolving Fund, Debt Service (or Sinking) Fund, and Cities and Counties – State Shared Taxes (Local Government Fund). The Education Trust Fund, for which state tax revenues are estimated separately, is included in the General Fund in the presentation of the Budget Overview, although a separate fund balance statement for this fund is included in the "Financial Statements" section of the Budget Document.

The presentation of all the operating budgets within the **General Fund** in the Budget Document, except for Transportation, is done for ease of budget presentation and understanding. In the Budget, revenue estimates for Special Revenue, Internal Service, and Enterprise Fund programs, funded by dedicated revenues, are included in the state tax revenue and departmental revenue estimates in the General Fund, as are those programs' expenditures.

Special Revenue Fund programs reflected in the General Fund in the Budget Document are:

- Wildlife Resources Agency
- Boating Safety
- Wetlands Acquisition Fund
- Wetlands Compensation Fund
- Tennessee Regulatory Authority
- Criminal Injuries Compensation

Basis of Budgeting and Accounting

Agricultural Resources Conservation Fund
Grain Indemnity Fund
Certified Cotton Growers' Organization
Fund
Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
State Lands Acquisition Compensation Fund
Used Oil Collection Program
Tennessee Dry Cleaners Environmental
Response Fund
Abandoned Lands
Hazardous Waste Remedial Action Fund
Underground Storage Tank
Solid Waste Assistance
Environmental Protection Fund
Sex Offender Treatment Program
Small and Minority-owned
Telecommunications Program
Job Skills Fund
911 Emergency Communications Fund
Real Estate Education and Recovery Fund
Auctioneer Education and Recovery Fund
Motorcycle Rider Education
Driver Education
C.I.D. Anti-Theft Unit
Board of Professional Responsibility
Tennessee Lawyers Assistance Program
Continuing Legal Education

Internal Service Fund programs reflected in the General Fund in the Budget Document are:

Capitol Print Shop
Claims Award Fund
TRICOR
Office of Information Resources
Division of Accounts
Postal Services
Motor Vehicle Management
Printing
Purchasing
Records Management
Central Stores
Food Services Program

Enterprise Fund programs reflected in the General Fund in the Budget Document are:

Tennessee Housing Development Agency
Property Utilization
Child Care Facilities Fund
Client Protection Fund

In the “Budget Overview,” **Education Trust Fund** programs are presented in the General Fund, although the tax apportionments for the Education Fund are separately estimated. This, again, is done for ease of presentation and understanding of the budget. It also is done because the taxes earmarked and apportioned to the Education Fund are less than the Education appropriations, requiring General Fund tax support for Education programs.

The programs in the Education Trust Fund are: (1) Department of Education (K-12); (2) Higher Education, including state appropriations for the University of Tennessee, the State University and Community College System (Board of Regents), and the Foreign Language Institute; and (3) all funding sources for programs of the Higher Education Commission and the Student Assistance Corporation.

In the Budget Document, certain institutional revenues for the two university systems are estimated. These include unrestricted educational and general revenues (E&G), and auxiliary enterprise funds. Examples of unrestricted E&G funds are student tuition and fees; unrestricted state, federal, local, and private gifts, grants, and contracts; local appropriations; and sales and services related to academic programs. Restricted funds are not reflected in the Budget Document.

Although presenting the operating budgets in this consolidated fashion makes the budget easier to understand, the Comprehensive Annual Financial Report (CAFR) does deal with all of the Special Revenue and other funds as separate from the General Fund. The Division of Accounts provides that document to the General Assembly and the public.

Accounting Basis

(From Division of Accounts, Comprehensive Annual Financial Report)

The financial statements of the State of Tennessee are prepared in conformity with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). These principles require that the financial statements present the primary government and its component units, or the entities for which the government is considered to be financially accountable. Component units are discretely presented in a separate column in the government-wide financial statements to emphasize legal separation from the primary government.

In the government-wide financial statements, the financial activities of the state are reported as governmental or business-type activities. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In the fund financial statements, the state's major **governmental funds** include:

General Fund – used to account for all financial transactions not required to be accounted for in other funds;

Education Fund – used to account for revenues and expenditures associated with programs involving the Department of Education and Higher Education. Funding is provided primarily from the dedicated sales and services taxes and federal monies received from the U.S. Department of Education.

Highway Fund – used to account for revenues and expenditures associated with the Department of Transportation. Funding is provided from dedicated highway user taxes and funds received from the various federal transportation agencies.

The state's non-major **governmental funds**, reported in a single column, include:

Special Revenue Fund – used to account for specific revenues earmarked to finance particular or restricted programs and activities;

Debt Service Fund – used to account for the payment of principal and interest on general long-term debt;

Capital Projects Fund – used to account for the acquisition or construction of all major governmental capital facilities; and,

Permanent Funds – used to account for legally restricted funds where only earnings, not principal, can be spent.

All of the governmental funds are accounted for on the modified accrual basis of accounting. Under this basis, revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are typically recorded only when payment is due.

Sales taxes, petroleum and vehicular related taxes and fees, and gross receipt taxes are considered to be available if received in the first 60 days of the new fiscal year. Federal grants, departmental services, and interest associated with the current fiscal period are all considered to be available if received in twelve months. All other revenue items are considered to be measurable and available only when cash is received by the State.

Encumbrances for supplies, equipment, and construction are reported in the year the order is placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditure.

Basis of Budgeting and Accounting

The state's **proprietary fund** financial statements include:

Enterprise Funds – used to account for the operations of self-sustaining state agencies providing goods or services to the general public on a user-charge basis. Two of these funds are considered major funds – Sewage Treatment Loan Fund and Employment Security Fund. Non-major funds are reported in a single column.

Internal Service Funds – used to account for services provided to other departments or agencies of the state or other governments, on a cost reimbursement basis. These funds are reported in a single column.

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The state's **fiduciary funds** financial statements include:

Pension Trust Fund – used to account for the activities of the state-administered retirement system;

Employee Benefit Trust Fund – used to account for the funds contributed by employees under the IRC Section 125 cafeteria plan;

Investment Trust Fund – used to account for the activities of the state-sponsored external investment pool;

Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

Agency Funds – used to account for amounts held in custody of others.

Fiduciary fund types are used to account for resources legally held in trust. The fiduciary funds are accounted for on the accrual basis of accounting.

Discretely presented component units include:

Tennessee Student Assistance Corporation (TSAC)

Community Services Agencies

Tennessee Certified Cotton Growers Organization

Tennessee Housing Development Agency

Tennessee Local Development Authority

Tennessee State Veterans Homes Board

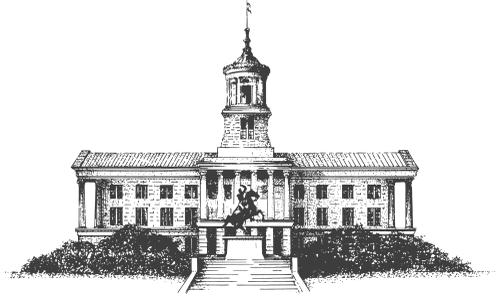
Child Care Facilities Corporation

Tennessee State School Bond Authority

Tennessee Board of Regents

University of Tennessee Board of Trustees.

Administration Priorities



While last year we made considerable progress in balancing the state's fiscal responsibilities, this year we will continue to work to develop a balanced budget and focus our fiscal priorities on five basic criteria.

- Balance a budget without raising taxes.
- Invest in the future of Tennessee by focusing on K-12 education.
- Hold down the rapid growth of TennCare.
- Expand Tennessee's economy by recruiting new jobs and expanding existing industry.
- Increase efficiency and seize the opportunity to show that we can do more with less.

A balanced budget is a good start, but it is just a beginning. This budget reflects the sacrifices by Tennesseans who understand that we need to make tough choices and hard decisions to restore balance in state government. In the months and years ahead, together with the General Assembly and the people of Tennessee, this Administration can achieve significant progress in the areas of children's issues, education, economic opportunity, the environment, health care, safe and healthy communities and a more responsive and responsible government.

A few of these priorities which the Administration will continue to address are:

Balanced Budget – Governor Bredesen believes it is his responsibility as Governor to introduce a balanced budget. In doing so, Governor Bredesen will continue to apply a hands-on approach to management and to allow a more open approach to the budget process.

Ethics in Government – Citizens should feel confident in their government and assured that public officials will approach their jobs in a highly ethical manner. In signing his first Executive Orders, Governor Bredesen created new ethics policies for Executive Branch appointees that verify conflicts of interests and disclose outside sources of income, hold department commissioners accountable by requiring them to certify the ethical conduct of their departments, and establish an ethics committee to serve as a watchdog entity over the Executive Branch. Governor Bredesen remains committed to openness and accountability in state government.

Protecting and Investing in Education – K-12 education is an investment in Tennessee’s future. Governor Bredesen will continue to fully fund the Basic Education Program, and this year will propose a fundamental change to the program by making funding of teacher salaries a component of the formula. As a result, Tennessee teacher salaries will exceed the Southeastern average. Governor Bredesen is also creating a statewide initiative challenging highly motivated mid-career professionals to teach in the hardest-to-staff districts and in high-need subject areas across the state. He will also jumpstart the expansion of the Imagination Library in an effort to ensure that every child reads at grade level by the end of the third grade.

Economic Development – Governor Bredesen believes creating more and better job opportunities is a key to improving life in Tennessee. Tennessee must diversify in order to compete in a rapidly changing economy. He created a Jobs Cabinet to coordinate efforts at the highest levels of state government to create better-paying, higher-skilled jobs for working Tennesseans and created an Office of Diversity Business Enterprise to serve as a point of service and information clearinghouse for minority, women and small businesses. Governor Bredesen will continue to put a laser-like focus on the development of all Tennessee communities.

Children – Every child deserves to grow up healthy and happy. Governor Bredesen wants the state to work with families, agencies and foster parents to help protect children. Governor Bredesen created a Children’s Cabinet to encourage better cooperation between agencies responsible for children’s welfare. In addition, he brought in a veteran children’s services manager with a national reputation for fostering innovative, results-oriented change to lead the department.

TennCare – TennCare is a worthwhile initiative that must be fundamentally fixed. It is crucial to get TennCare back on track while still ensuring that people who need appropriate medical coverage receive it. Governor Bredesen has brought in nationally recognized business consultants from McKinsey & Company to assess the viability of the program and to address issues of eligibility, aligning benefits with the state’s ability to pay, and toughening the regulation of managed care organizations. In the coming months, Governor Bredesen will propose critical reform efforts necessary for the survival of the program.

Tennessee Program History



Children

Children's Services

Since its creation in 1996, the Department of Children's Services (DCS) has been the state agency responsible for meeting the needs of children in state custody or at risk of entering custody, and their families. DCS strives to protect children from abuse and neglect, provide care for children who cannot remain in their own homes, promote the stability of families, and rehabilitate delinquent youth through residential or community-based treatment. The department works with families to resolve issues that may threaten the safety and well-being of children. If necessary, DCS provides for temporary out-of-home care for children whose safety is in jeopardy in their own home, and works with the family and other involved parties to achieve permanency and stability in the child's living situation. For children who cannot return to their previous home environment, the department works to provide a nurturing home with relatives who can care for the child, or a permanent placement through adoption.

The department's goals are to:

- Provide appropriate care for children in custody close to home and return them to their families or provide for permanency of care in a timely manner;
- Work with communities to provide prevention and intervention services to protect children, strengthen families and supervise youthful offenders;

- Increase community involvement, local decision-making and accountability for funding and services; and
- Create an effective management and delivery system to ensure services are provided in a timely and cost effective manner.

The Department of Children's Services provides direct services to children and families in the following areas:

Child Protective Services — Investigates allegations of child physical abuse, emotional abuse, sexual abuse and neglect. Last year, 35,000 reports of child abuse or neglect were investigated, which involved over 51,000 child victims.

Foster Care — Provides custodial services for children who have been removed from their parents or guardians due to abuse or neglect issues or unruly or delinquent behavior. The majority of these children live in foster homes. Last year, custodial services were provided to over 17,000 children; 7,229 entered custody and 9,937 remained in custody at the end of the year.

Adoption — Seeks to find a permanent family for children after parental rights have been terminated. Last year, 954 children in DCS custody were adopted and over 1,000 children are currently awaiting an adoptive family.

Juvenile Justice — Provides treatment and rehabilitation to children with delinquent offenses. DCS operates four youth development centers, 13 group homes and two specialty programs. Last year 656 youth were committed to youth development centers, 759 youth were released from youth development centers, and 425 youth were provided services through a DCS group home program.

Reforming Child Welfare

A class action lawsuit was filed in May 2000 on behalf of children in foster care and the adoption program in Tennessee. The department was able to settle the lawsuit with a mutually acceptable agreement in July 2001. The Brian A. Settlement Agreement stipulates outcomes and performance indicators that must be met for successful resolution of the lawsuit in a 54-month timeframe. As a part of the agreement, a technical assistance committee was appointed to advise DCS on child welfare policy and practice, and management issues. Additionally, an independent monitor was appointed to assess the department's compliance with the settlement agreement.

In December 2003, the plaintiff's attorneys alleged DCS was in contempt of the settlement agreement. An agreement was reached that extended the settlement agreement an additional 15 months and mandated the development of an implementation plan with specific mandates and timeframes for DCS to meet the terms of the settlement agreement.

Also in December 2003, a new commissioner was appointed to the Department of Children's Services. A critical analysis of internal structure and organization of the department is currently underway and changes will occur to establish an efficient and effective organizational team that focuses on accountability, credibility and quality performance. Priorities have been established and changes have already begun in several areas:

- Developing the Implementation Plan and strategically planning for its implementation. A six member team

reflective of numerous years of child welfare experience and frontline expertise is developing this plan. The plan will include action steps, assigned responsibilities, and definitive timelines;

- Changing the culture of the department and charting a course for 'Path to Excellence', which will establish a high quality, high performing agency with positive outcomes for children and families;
- Visiting children in DCS custody as mandated per policy and measures have been instituted for accountability to ensure this takes place. A hotline for foster parents has been established and photos of custody children will be taken on a regular basis;
- Targeting budget cuts toward administrative costs that will not directly affect services to children and families;
- Equalizing adoption subsidies with foster care subsidies in order for the department to have the ability to permanently place children with appropriate adoptive families;
- Developing effective partnerships with communities and other agencies to provide appropriate services and resources for children;
- Obtaining and retaining an adequately staffed work force that is experienced, well trained and reflects diversity at all levels;
- Creating a work environment that fosters high performance and builds on the strengths of the employees; and
- Creating an open and transparent department that responds to community concerns.

Education

K-12 Education

In 1992, the state made a significant commitment to improve K-12 public education. The funding formula established by the 1992 Education Improvement Act is called the Basic Education Program (BEP). The BEP provides funds to local school systems based on their student membership and costs of certain educational components shared with the community's relative ability to fund education. Educational components are divided into two categories: classroom and non-classroom. Classroom components include items such as teachers, instructional equipment, supplies and materials, and textbooks. Non-classroom components include such items as transportation, superintendents, construction, and maintenance and operations. Classroom components are funded 75%, except for certificated employees which are funded 65% by the state. Non-classroom components are funded 50% by the state.

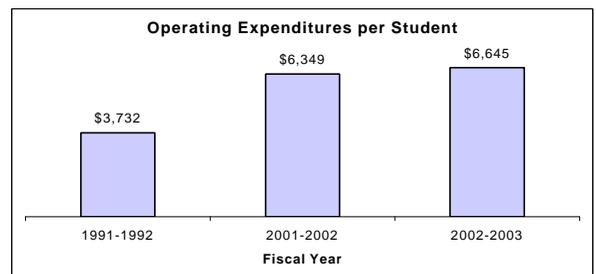
Since 1991-92, over \$1.5 billion in new recurring funds will have been invested in the BEP as of 2004-2005.

The 2004-2005 recommended budget provides an improvement of \$35 million for teacher salary equalization through the Basic Education Program (BEP) funding formula. These funds are recommended to address the Constitutional issue of teacher salary equalization pursuant to the Tennessee Supreme Court's decision in "Tennessee Small School System, et al v. Ned Ray McWherter, et al" ("Small Schools III"). This solution changes the funding formula and improves the salary distribution system. The new Basic Education Program (BEP) instructional salary component shall become \$34,000, up from the current 136-system starting average of \$28,330, and shall be reviewed annually thereafter. The Commissioner of Education shall prepare a revised state minimum salary schedule to implement the distribution of these new instructional salary funds. The solution includes an annual review process to provide an early

warning of salary disparities among school districts and to review the cost-driven salary component. The plan directs funds to the lowest-paying systems. An estimated 122 systems with 48,600 teachers will receive new instructional salary dollars through the BEP funding formula. A hold-harmless provision will ensure that no system receives less BEP instructional salary funding than in the current year. Under this solution, Tennessee's average teacher salary is estimated to increase from \$39,799 to \$43,127, which is above the current \$41,888 Southeast average.

The Administration is also proposing funds for initiatives such as TeachTennessee, Governor's Schools, Pre-K and Early Childhood Education, and After-School programs. TeachTennessee challenges highly-motivated, mid-career professionals to answer the call to teach in the hardest-to-staff schools and in high-need subject areas. Governor's Schools will expand from four to six weeks. These schools are for gifted students and provide summer enrichment programs in science, the arts, and humanities. The Pre-K and Early Childhood Education expansion and the After-School program will be funded from the new lottery revenues.

According to the Department of Education's 21st Century Schools Report Card, between 1991-1992 and 2002-2003, average expenditures per student grew from \$3,732 to \$6,645, an increase of 78%. Student enrollment in Tennessee's schools has grown by 9.0% in the same time period.



Higher Education

Tennessee higher education is a vast and diverse enterprise composed of 22 two and four year institutions enrolling over 195,000 students. Offering degree options ranging from technical certificates to PhDs, the system is focused on serving the educational and workforce needs of the state of Tennessee. As the state of Tennessee transitions into the New Economy of the 21st century, its institutions of post-secondary higher education are faced with a variety of challenges. The state anticipates significant demand for enrollment growth over the next few years, both in terms of traditional and non-traditional students. Furthermore, many of the new jobs being developed in Tennessee will require a college degree, and/or training for expanding technologies.

In order to remain competitive in the new economy, Tennessee must encourage more people to earn a post-secondary degree. Only 19.6% of Tennesseans over the age of 25 have a college degree, compared with the national average of 24.4% and the southern average of 22.4%. Baccalaureate degree attainment varies widely by county, however, from a high of 44.4% in Williamson County to a low of 5.4% in Lake County. A college education is important to the individual, as well as society, because of the difference in income realized through education and the benefits accrued to society from a better educated populace. According to 2000 census data, a person with a bachelor's degree has an average annual income of \$51,644, compared with \$27,975 for a person with a high school diploma. The difference in income will result in financial benefits to society through increased spending in the economy and through increased revenues to the state. Additionally, a better educated workforce will help in recruiting industry, as companies require highly skilled workers who can be used in today's high-tech economy.

Spending on higher education can be viewed as an investment with solid returns to the individual, the business community, and the state. While the state has remained diligent in

its support for higher education, this support has been tempered by an uncertain funding environment. While the state funding base for higher education was reduced in the current year for economic reasons, efforts have been made to minimize the effect of budget reductions on higher education in fiscal year 2004-2005. While a recurring operating budget reduction of less than 1% is necessary, significant investments are recommended for higher education capital outlay projects and building maintenance.

With limited prospects for additional investments in the near future, higher education has implemented a variety of action plans aimed at refocusing institutional missions to ensure that the highest quality educational product is provided to the taxpayers of Tennessee.

The Tennessee Higher Education Commission's Plan of Action represents an effort on behalf of Tennessee higher education to address a variety of policy concerns given the conditions of fiscal uncertainty. The following policy options represent several of the core components of the plan:

- Development of specific enrollment ranges for funding purposes at the four-year institutions;
- Increased admissions standards for universities;
- Removal of state appropriations for remedial coursework, and a reduction in appropriations for developmental instruction at the state's four-year institutions;
- Creation of a more stringent review process for new academic programs;
- Limiting expenditures of student fees and state appropriations for intercollegiate athletics;
- Revision of the funding formula;

- Termination of several associates programs at the university level; and
- Implementation of a variety of initiatives that will allow higher education to better serve its accountability mission.

A new resource for Tennessee students seeking higher education is lottery-funded scholarships. The Tennessee lottery began operations on January 20, 2004. Lottery proceeds will fund scholarships for Tennessee students attending public or private colleges or universities across the state. Graduating high-school seniors must have a 3.0 grade point average or score a 19 on the ACT in order to receive up to \$3,000 in scholarship funds per

academic year. Additional support is available for high-school students with outstanding academic credentials and those from low-income families. Once in college, students must maintain a B average. In addition to scholarships, lottery-funded grants are available to students attending technical schools.

Through implementation of these and other associated policy initiatives, higher education is poised to meet the educational and workforce needs of Tennessee. Through strategic redirection of students and resources, higher education will continue to develop one of the state's most under-utilized resources, the inherent human capital potential of its citizenry.

Economic Opportunity

Economic Development

Leading companies from around the world are discovering the advantages of doing business in Tennessee. With our prime geographic location, skilled workforce, outstanding transportation network and pro-business environment, Tennessee has earned a solid reputation as a premier business location.

From the automotive industry to technology development, to printing and publishing, to warehousing and distribution, our diverse business base speaks volumes as to the wealth of economic and lifestyle advantages and opportunities that, quite simply, help companies build better products more efficiently in Tennessee.

Tennessee's bright business climate, along with quality of life and cultural diversity, offers companies more options than ever.

- According to data from the U.S. Department of Commerce, Tennessee is ranked among the top ten states in the nation for number of jobs linked to

foreign investment and ranked 11th in the nation in manufacturing jobs.

- Tennessee is the fifth largest automotive manufacturing employer in the nation with 159,500 employees.

Tennessee remains committed to enhancing community quality of life and increasing family income by creating better-paying, higher-skilled job opportunities with a future. The state engages in the following activities to accomplish these goals:

Tennessee Business Services — Tennessee Business Services (TBS) provides the assistance communities and employers need to attract, maintain, and increase jobs in Tennessee. TBS works with a network of organizations statewide to help assure the success of existing business and to encourage their expansion. Business development activities include:

- A statewide manufacturing resource network to help manufacturers solve problems and become more competitive through the Manufacturing Means Jobs initiative;
- Offering engineering, technical and training assistance to manufacturers through the Tennessee Manufacturing Extension Partnership;
- Small Business Services which assures the success of small businesses statewide through its small business information guide and assistance programs;
- Department partners with the Tennessee Small Business Development Center network which provides entrepreneurs and small business owners with easily accessible counselors in 14 center locations statewide to assist them in starting and growing their small businesses; and
- The Office of Minority Business Enterprise which facilitates the resources needed in assisting minority businesses in growth and business development.

Marketing & Recruiting — Enhancing Tennessee's image as a premier business location is the primary focus of the marketing team. International business promotion and recruitment are emphasized, as well as strategic conferencing and direct target marketing to high-growth industries and companies. Additional activities include:

- Providing prospects with a general or prospect-specific packet with information on taxes, transportation systems, labor statistics and environmental regulations;
- Recommending available facilities or industrial sites to prospects;
- International recruitment;

- The FastTrack Infrastructure Development Program, formerly Tennessee Industrial Infrastructure Program (TIIP), works with communities and regions to provide industrial infrastructure support on issues like water, sewer and rail sidings. FastTrack serves as an incentive in the process of encouraging private sector firms to locate or expand their financial investments in Tennessee;
- Creation of a Creative Services section, which provides in-house creative services for the marketing programs of various state agencies. Expenses have been reduced, as well as the turn-around time associated with the development of marketing information.

Community Development — Community Development works with Tennessee communities to prepare and compete for economic development and to improve community quality of life.

- The Three-Star Program helps communities take full advantage of economic development opportunities, preserve existing employment, create new jobs and increase family income.
- The Energy Division promotes economic growth by helping businesses and government organizations improve energy efficiency.
- The Local Planning Assistance program provides technical assistance to help local governments strengthen their planning and community development efforts.

Tourist Development — The travel and tourism industry is an important factor in Tennessee's economy. Domestic and international travelers to Tennessee annually spend nearly \$10.3 billion. As a result of spending by travelers, tourism provides jobs for over 173,000 Tennesseans, and tax revenues for state and

local governments totaling over \$815 million. Approximately 38.9 million people visited Tennessee in 2002, making Tennessee one of the nation's most popular destinations.

Because of the jobs and tax revenues produced by tourism, national and regional competition for tourism continues to be high. In order to increase its share of tourist dollars, Tennessee must aggressively market and promote the state's assets. Some of the Department of Tourist Development's marketing programs include national broadcast and print advertising campaigns and direct sales programs targeted at group tour companies, travel agents, and international tour operators. In addition, the department makes co-op advertising projects available to the tourism industry, develops rural and heritage tourism opportunities through promotion programs, promotes Tennessee to the media and national travel press, and develops Tennessee publications which are distributed to customers. The department also operates the state's 13 welcome centers, which provide literature, information and reservations to the millions of travelers who visit Tennessee.

Families First

Families First is Tennessee's version of the federal Temporary Assistance to Needy Families (TANF) program. The program emphasizes personal responsibility, work requirements, time limits for assistance, and education and job training. Families First also provides its participants child care, transportation, increased coordination with child support enforcement, and transitional benefits.

Personal Responsibility — The foundation of Families First rests on the individualized Personal Responsibility Plan. This plan, developed between the participant and the caseworker, outlines the steps towards self-reliance:

- Failure to participate in work activities and reach the goals specified in the plan can reduce or eliminate benefits;
- Teen parents must stay in school and live

at home with parents or another responsible adult; and

- Parents must ensure all eligible children attend school, infants and youth must be immunized, and children's health checks must be current.

Work Requirements — Work builds self-esteem and independence from welfare assistance. While working, participants will also gain experience for greater responsibilities and career advancement:

- Non-exempt participants will be required to work or engage in work-related training or education 40 hours a week;
- Those who are unable to find a job must engage in employment or career counseling, community service, or job readiness classes.

Education and Job Training — While many Families First participants currently have some combination of education and work experience, many need job training classes to enhance their employability:

- Education and job-related training counts as part of a participant's 40-hour work requirement;
- Participants testing below a ninth grade functional literacy level can enroll in 20 hours a week of adult basic education and be exempted from additional work and time limits until they reach the ninth grade level.

Time Limited Benefits — Limits on benefits have been established as a means of encouraging participants to work towards self-sufficiency.

- Benefits for non-exempt participants are limited to 18 months at any one time, which may not be consecutive, and to five years over the course of a lifetime.

- Exemptions to this requirement include disabled caregivers; caregivers ages 60 and over; caregivers assisting disabled family members; families who do not have an adult included in the grant amount; individuals functioning under ninth grade level who attend basic education classes; and parents who are not able to secure child care, transportation, or training that is needed to comply with Families First.

Family Services Counseling — Individuals who have significant barriers to obtaining employment may qualify for family services counseling assessments and services while on cash assistance and for 12 months after leaving the program. These services cover:

- Mental Health issues
- Drug and alcohol problems
- Learning disabilities
- Domestic violence issues
- Children’s health and behavior issues.

Transitional Benefits — In order for families to sustain self-sufficiency, many benefits will be extended beyond the period of cash assistance. Availability of these benefits can be up to 18 months after full employment begins and can include:

- Child care
- Transitional Medicaid
- Food Stamps
- Family Services counseling.

Child Support Enforcement — Many of the families enrolled in Families First would not need assistance if child support payments were made. Families First expects participants to:

- Identify the father of dependent children;
- Help find the absent parent and establish paternity.

In addition to these efforts, Tennessee has also passed the license revocation law,

implemented the Tennessee Child Support Enforcement Computer System (TCSES), and utilized the internet in location of delinquent parents.

Child Care — The Department of Human Services’ initiatives in child care have focused on three central issues: quality, affordability, and availability.

- The “Star-Quality” system includes the annual mandatory and voluntary rated licensing programs for licensed child care agencies. Centers, group, and family child care homes are evaluated on a number of quality measures and may receive one, two, or three star ratings indicating higher levels of quality achieved.
- The Child Care Resource and Referral (CCR&R) agencies provide technical assistance, training and community support to child care providers statewide. CCR&R agencies also provide referrals for child care services to families on a local level.
- The Tennessee Child Care Provider Training (TN-CCPT) program uses licensing fees in part to provide free training for providers in areas of Administration, Child Development, Early Childhood Education, Health and Safety and Developmentally Appropriate Behavior Management. This training is offered through the local Child Care Resource and Referral system in 11 locations throughout the state.
- Infant and Toddler Model Sites is an initiative to develop family homes and centers around the state as models for training and for applying a nationally-recognized program for enhancing the development of infants and toddlers.
- The Tennessee Early Childhood Training Alliance (TECTA) is a statewide

education and training service offered throughout Tennessee Board of Regents institutions. No- or low-cost training is available to child care providers to assist them in meeting licensing standards and further enhancing their professional development.

- The department continues to support over 53,000 child enrollments monthly for low-income, working families through its Child Care Certificate (Subsidy) Program. Reimbursement rates to participating providers are based on prevailing market rates.

Program Outcomes — The average monthly welfare caseload for FY 2002-2003 was 68,162. As of December 2003, Families First

participants were involved in the following activities:

• Employed	13.8%
• Adult Education	8.9%
• Work preparation or Job skill training	45.9%
• Exempt caretaker	21.4%
• Child only care	25.9%
• Family Service Counseling	5.5%

While some families will continue to experience personal and financial setbacks which require assistance, Families First helps ensure that their need is temporary and that families quickly return to stability and self-reliance.

Public Health

TennCare

On July 1, 2002, Tennessee reached a new five-year agreement with the federal government to continue TennCare, which began in 1994. The TennCare products currently offered are TennCare Medicaid, TennCare Standard and Long Term Care.

Services for TennCare Medicaid and TennCare Standard are delivered via Managed Care Organizations (MCOs) operating throughout the state. TennCare Medicaid is a continuation of the federal Medicaid program. TennCare Standard is for certain eligibles that do not have access to insurance and are either below specified income limits or qualify due to having a medical condition that keeps them from purchasing health insurance (Medically Eligible). During periods of closed enrollment, new applicants are only able to access services if they qualify for TennCare Medicaid or if they are below the poverty level and medically eligible. During periods of open enrollment, the eligibility standards for new applicants that do not have access to insurance can be as high as 200% of poverty for children and as high as 100% of poverty for adults. During periods of

open enrollment, medically eligible individuals without access to insurance could potentially enroll at any income level. TennCare Standard enrollees are required to pay premiums on a sliding scale.

TennCare Partners — In July 1996, mental health services were carved out into a managed care system called TennCare Partners. This system utilizes multiple behavioral health organizations (BHOs) to manage mental health services. These TennCare Partner BHOs serve all TennCare Program enrollees including the priority population as defined by the Department of Mental Health and Developmental Disabilities. These services include:

- Psychiatric and substance abuse inpatient treatment;
- Outpatient mental health and substance abuse treatment;

- Transportation to covered mental health services; and
- Other specialized mental health treatment, such as case management and crisis services.

The BHOs are overseen by the Department of Mental Health and Developmental Disabilities.

Long Term Care services are provided to Medicaid eligibles and consist of services for individuals in nursing homes, intermediate care facilities for the mentally retarded and home and community based programs. TennCare also participates financially in the care of children in state custody. These services are administered by the Department of Children's Services.

TennCare is in the process of implementing a Preferred Drug List (PDL), which will decrease cost in the pharmacy program. TennCare is also centralizing pharmacy options to simplify the process for providers and maximize available drug rebates.

Mental Health and Developmental Disabilities — The Department of Mental Health and Developmental Disabilities strives to improve the quality of life for persons diagnosed with a mental illness or serious emotional disturbance in Tennessee. The department is committed to ensuring safe, affordable, culturally appropriate, and high quality services in the least restrictive settings for Tennesseans diagnosed with mental illness or serious emotional disturbances and to erase the stigma associated with these illnesses. The department will also make sure its own management is efficient, collaborative and accountable.

To accomplish these tasks, the department has established collaborative relationships with recognized community leaders, consumers and family members as well as the local social service, faith-based, nonprofit, and governmental agencies, foundations, and mental health service providers. Specifically the department is concentrating its resources to:

- Improving the management and operation of the TennCare Partners Program through increased oversight of program resources and accountability of the BHOs and providers;
- Developing a statewide anti-stigma campaign that will promote the principles of early detection, treatment, and recovery;
- Continuing to expand housing options for persons diagnosed with mental illness;
- Achieving greater parity and promoting integration between mental health and medical services, especially as it relates to the availability of safe, affordable, and culturally appropriate services for people diagnosed with mental illnesses and serious emotional disturbance;
- Increasing treatment options for persons diagnosed with mental illnesses who reside in Tennessee's criminal justice system; and
- Reduce the admissions and recidivism of patients in the regional mental health institutes through increased community based and psychiatric rehabilitation services.

Homeland Security

The Office of Homeland Security and the Homeland Security Council began operating in the fall of 2001 following the September 11, 2001, terrorist attack on America. On

September 11, 2002, Executive Order 36 officially created both the office and the council. The office and the council now are organized and operate under Executive Order 8,

issued April 3, 2003. The Office of Homeland Security is a staff division of the Governor's Office. The 23-member Homeland Security Council is comprised of 17 state officials and six local government representatives. The director of the Office of Homeland Security, a gubernatorial appointee, chairs the council.

The office has primary responsibility and authority for directing homeland security activities, including but not limited to planning, coordination, implementation of all homeland security prevention, protection, and response operations. This responsibility includes development and implementation of a comprehensive, coordinated strategy to secure the state from terrorist threats and attacks. The office serves as liaison with related agencies of the federal government, agencies of local government, agencies of other states and related private sector agencies on matters of homeland security.

Homeland security funds have been provided to state and local agencies to enhance capabilities to prevent, protect, and respond to terrorism. Funds have been provided for chemical, biological, radiological, nuclear, and explosive response equipment, communications equipment, planning, training exercises, and citizen volunteers programs. At the local jurisdiction level, homeland security funds have been allocated to law enforcement, fire, emergency management, emergency medical, public utilities, and emergency communications agencies to enhance regional capabilities.

At the state level, funds have been allocated to the Office of Homeland Security, Department of Safety, Department of Agriculture, Department of Environment and Conservation, Department of General Services, Department of Military, Department of Commerce and Insurance, Tennessee Bureau of Investigation, and Tennessee Wildlife Resources Agency. Funding has helped to establish three regional homeland security offices to assist local leaders with the homeland security mission, enhance state building security, improve public safety communications, provide essential monitoring, detection, and laboratory equipment, and provide terrorism prevention capabilities.

The first Tennessee Homeland Security Strategy has been published, providing a vision and direction for near and long term homeland security efforts. The Office of Homeland Security and the agencies of the Governor's Homeland Security Council have also initiated an assessment of critical infrastructure throughout the state to determine vulnerabilities and develop plans to mitigate them. The Office works closely with key federal agencies in Tennessee, to include the three Federal Bureau of Investigation Joint Task Forces, the United States Secret Service and the United States Department of Energy.

Natural Resources

The Environment

Tennessee continues to be a leader in environmental protection and natural resource protection.

Water Quality – Siltation is the largest cause of water quality impairment in Tennessee streams. The Tennessee Department of Environment and Conservation (TDEC) has partnered with three municipalities and the University of Tennessee

to develop a training program for erosion prevention and sediment control. Through fall 2003, over 2,000 developers, contractors, road builders, and others involved in land disturbance have taken either a Level 1 or Level 2 course. A handbook on the best practices for preventing erosion and water pollution has been produced and put on TDEC's website. The Department also launched a new emphasis on preserving

small streams, which are vital to overall water quality, flood control and wildlife.

The U.S. Environmental Protection Agency (EPA) has approved 80 total maximum daily load (TMDL) studies by TDEC. TMDLs provide the foundation for reducing specific pollutants in individual streams.

TDEC conducted 11 regional watershed meetings throughout Tennessee in 2003 in conjunction with both governmental and non-governmental partners. Using the watershed as our management unit allows us to focus our planning and regulatory programs in a way that makes sense to the public, the regulated community and our partner agencies. People are gaining a better understanding of how the activities in a watershed affect the quality of water we find in streams. If we will manage the land wisely and control the discharges, we can keep our waters safe and clean.

TDEC continues to help communities across the state improve their wastewater treatment services. Tennessee awarded over \$106 million in 2003 to local governments from the Clean Water State Revolving Fund, which is the largest loan volume awarded by the department in a single year.

Drinking Water – Because the technology needed to assure safe drinking water is becoming more complex, the competency level of plant operators must also increase. The division continues to enhance its training, continuing education, and competency testing for operators and managers of public water systems. Tennessee continues to train water system personnel on a number of new rules and regulations that have become effective in the last four years - such as the new Filter Backwashing Recycle Rule and the Radionuclide Rule both effective in 2003. New regulations governing the registration of water withdrawals also became effective on October 19, 2003.

New rules effective on January 1, 2004 that apply to all community and non-transient non-community water systems include interim enhanced surface water treatment requirements, revisions to the lead and copper rule and new disinfection byproduct standards.

During 2003, the State completed source water assessments and susceptibility analysis required by the Federal Safe Drinking Water Act on all public water systems.

Tennessee awarded more than \$8.9 million in funds from the Drinking Water State Revolving Fund in 2003 to improve local drinking water treatment facilities.

Special assistance continues to be given to water suppliers to ensure the safety of water treatment facilities and their infrastructure following the terrorist attacks of September 11, 2001.

Natural Areas and Scenic Rivers – As of 2003, Tennessee has 68 legislatively designated State Natural Areas covering approximately 105,000 acres of ecologically significant lands throughout the state. In 2003, two new State Natural Areas were established and two existing Natural Areas were expanded.

State Natural Areas protect the habitat of rare and endangered plants and animals. Natural areas also provide opportunities for outdoor recreation such as nature photography, study and hiking. As of 2003, there are 13 legislatively designated State Scenic Rivers in Tennessee covering approximately 390 river miles. The Scenic Rivers program seeks to preserve valuable selected rivers, or sections thereof, in their free flowing natural or scenic conditions and to protect their water quality and adjacent lands.

Water Supply – TDEC continues to implement the Inter-Basin Water Transfer Act of 2000. This law addresses increasing demands for water and protects supply for downstream users. In FY 2002-2003, TDEC acted on 34 different water transfers by 28 different utilities - seven of these transfers required actual permit decisions from the department. Considering the average flows in Tennessee's waterbodies, current inter-basin transfers are redistributing an insignificant amount of water within the state.

Air Quality – Tennessee is preparing to meet new, stricter, federal standards for ground-level ozone and fine particulate matter.

The federal Environmental Protection Agency (EPA) has tentatively declared that 27 Tennessee counties in the state will be listed as not attaining the new federal ozone standards. EPA will make their final determination on or before April 15, 2004.

Several counties have entered into a program with the state and EPA known as Early Action Compacts (EACs). This program rewards communities for achieving the new ozone standards more quickly by deferring the burdensome requirements for permitting new industries and more restrictive review of federally funded transportation projects.

Through the end of 2003, the affected local elected officials in these seven voluntary EACs have met the milestone requirements prescribed to achieve an attainment designation of the eight-hour ozone ambient standard by 2007. There were over 60 outreach meetings held in the seven EAC areas to facilitate development of local and statewide plans to reduce the kinds of emissions that form ozone.

In July 2003, Governor Bredesen signed Executive Order 11, creating the Interagency Working Group on Air Quality. The working group consists of the commissioners from several state agencies who have been directed to identify actions state government can take to reduce emissions and improve air quality in Tennessee.

Monitoring data in the eastern portion of the state indicates that several counties there will not meet the new federal fine particle standards (PM 2.5). Currently, there are no federal early-action programs available for areas with fine particle problems, but if they do become available, the state will work with local communities to determine the suitability of the program for them.

Research has shown that motor vehicle traffic is responsible for a significant amount of Tennessee's air pollution. Additional regulatory effort will need to be applied to this sector if we are to attain these new federal standards. Studies are underway to determine the extent of the measures that will be needed in various areas of the state.

An ozone forecasting program based on the new ozone standard has begun in Kingsport,

Knoxville, Chattanooga, Nashville, and Memphis to give citizens advance warning should ozone reach unhealthy levels. The advance warnings are known as "Clean Air Action Days". A fine-particle forecasting program based on the new fine-particle standard has begun in Nashville and Memphis and will be expanded to other major metropolitan areas of the state.

TDEC is holding meetings across the state to share and gather information that will help determine what should be done regarding the adoption of contentious changes to federal New Source Review (NSR) regulations.

Solid and Hazardous Waste – In 2003, TDEC conducted 404 inspections of permitted hazardous waste treatment, storage and disposal facilities, and hazardous waste generators. Staff reviewed approximately 2,790 annual reports from hazardous waste facilities to ensure proper management of hazardous waste from "the cradle to the grave."

TDEC directed investigations and cleanup activities at 240 brownfields, contaminated drycleaners, and inactive hazardous substance sites. Responsible parties reported spending \$16.7 million to treat and dispose of 29,500 tons of contaminated soil.

TDEC also worked with 368 other contaminated sites and received over 370 notifications of spills and releases. TDEC's emergency response contractor cleaned up abandoned hazardous materials at nine sites.

Strong Enforcement for Polluters – TDEC continues to move swiftly against those who break environmental laws. In calendar year 2003, TDEC issued 777 enforcement orders assessing over \$8.1 million in penalties.

Radiological Health – TDEC is implementing major improvements in its program for x-ray inspections program. Changes in its program for x-ray inspections performed by outside consultants, known as registered inspectors, have been coupled with an enhanced data management system. These changes will ensure the timely correction of violations noted by the

registered inspectors, and will improve the efficiency of inspection planning overall by allowing the Division of Radiological Health to better track and coordinate inspections performed by both the registered inspectors and its own staff.

Homeland Security – TDEC is coordinating internally and with other state, local and federal agencies to ensure Tennesseans are protected from any threats to our air, land and water from terrorism.

Parks and Conservation

State Parks – TDEC now has a new management team whose goal is to optimize Tennessee State Park’s natural, cultural and outdoor recreational assets for the benefit of our citizens, residents and guests. The establishment of a strong resource management unit, a more efficient management design utilizing three operating districts and an enhanced hospitality section with a true “outdoors” focus will make a positive difference in our park visitors’ experience.

These changes translate into better identification and protection of our unique natural and cultural features, more park programs interpreting our natural and cultural heritage and an enriched extended stay for park visitors who either camp or stay in cabin or lodge accommodations.

The Tennessee State Parks access fee program continues, with 23 participating parks. These parks generated \$923,100 in FY 2002-03 versus \$579,000 in FY 2001-02. Revenue from the access fee program funds the system-wide major park maintenance program. A portion of these collections from each participating park is reinvested at that particular location for small projects, furnishings, and equipment. The access fee program purchased 23 automatic external defibrillators (AEDs) during 2003 to be placed at each of the participating parks.

Tennessee State Parks served over 27 million visitors in 2003.

Recreation Education – The Parks and Recreation Technical Advisory Services (PARTAS) maintains three regional offices serving the state’s grand divisions. These regional offices enable staff to provide quicker and more efficient services to government entities and other agencies. PARTAS provides technical assistance and education to recreational professionals across the state, while setting the benchmark for safety and trends in the field of parks and recreation.

The Recreation Planning section has finalized the 2003-2008 State Recreation Plan that will be distributed to the public in early 2004. The Recreation Grants section manages and monitors over 200 open grant projects that benefit parks and recreational capacities of local communities across Tennessee.

Geology and Archaeology – In 2003, TDEC investigated more than 50 geologic hazards, responded to nearly 400 other geologic information requests and completed two geological maps in a new digital format. The State Oil and Gas Board issued 285 oil and gas well permits. TDEC performed over 550 site inspections, issued six citations, and plugged 40 abandoned oil and gas wells.

In 2003, the Division of Archaeology added 350 new sites to the total statewide database of 20,000 known archaeological sites. The division also issued 33 permits for archeological investigations on state lands while reviewing and commenting on 750 federal projects that could have involved archaeological sites. The division followed up on more than 5,000 requests for archaeological requests and responded to 55 incidents for site and cemetery destruction. The division was also highlighted along with the Smithsonian Institute in a Discovery Channel feature on exhuming cast iron coffins from the Civil War period.

Budget Overview

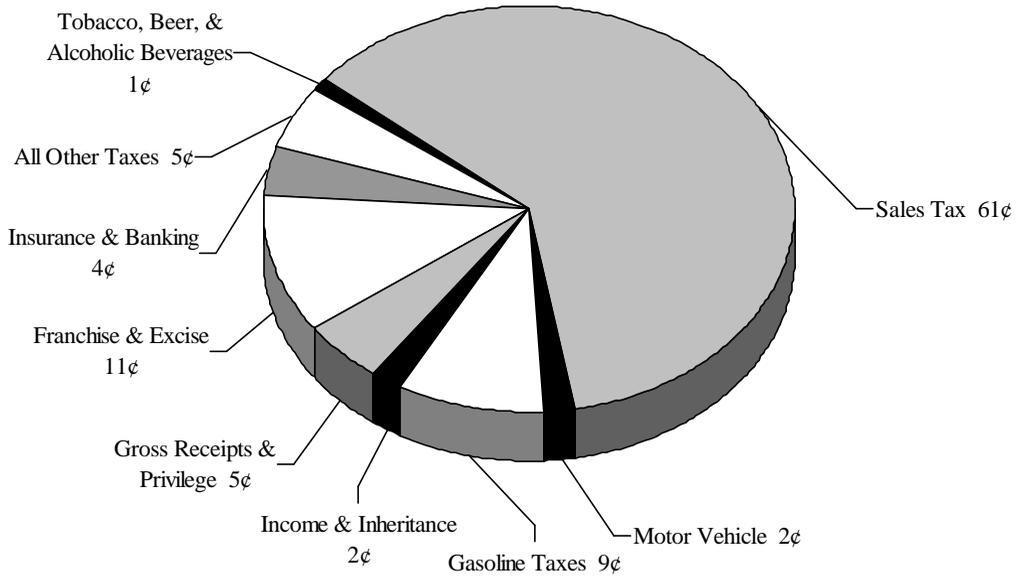
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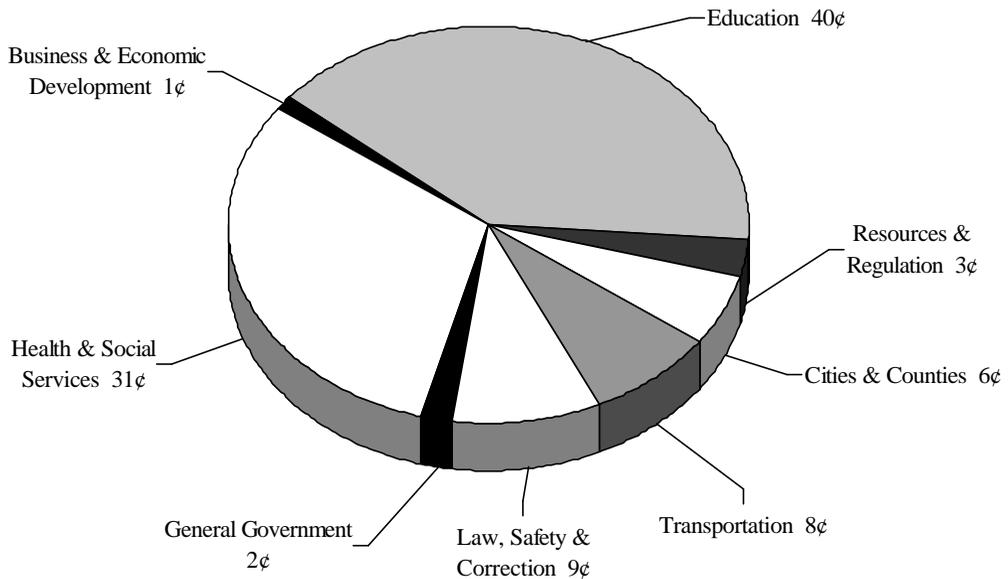
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Total State Budget

Where Your State Tax Dollar Comes From



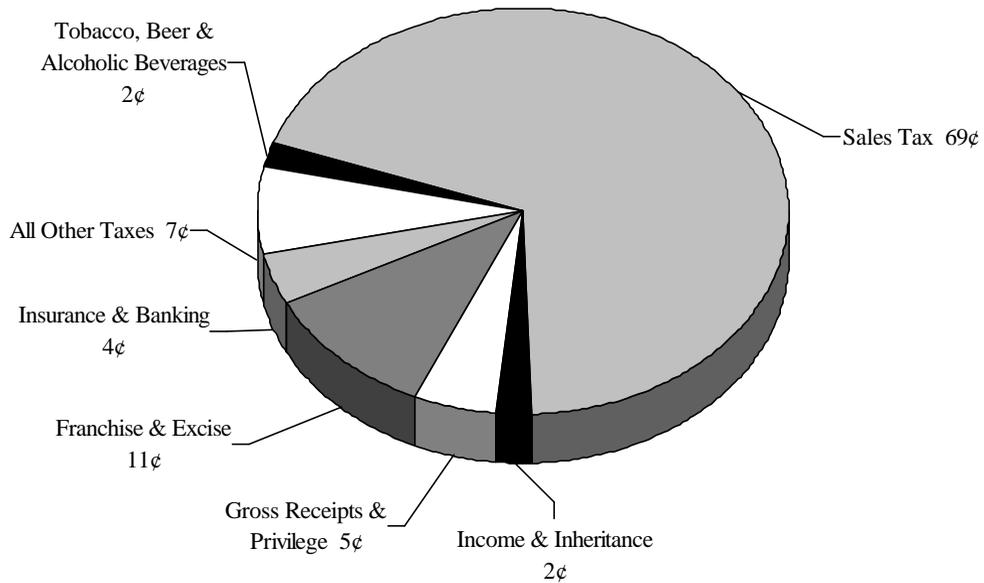
Where Your State Tax Dollar Goes



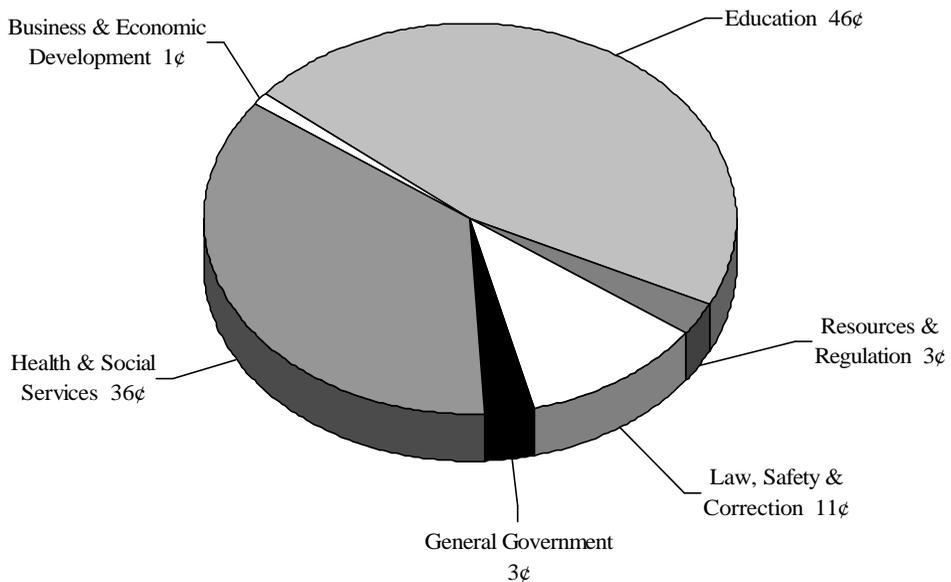
Fiscal Year 2004 - 2005

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2004 - 2005

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2002-2003, 2003-2004, and 2004-2005**

	Actual 2002-2003	Estimated 2003-2004	Recommended 2004-2005	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$20,721,875,200	\$22,200,565,700	\$23,845,082,100	\$1,478,690,500	\$1,644,516,400
General Fund	18,276,509,200	19,712,773,000	20,793,675,100	1,436,263,800	1,080,902,100
Department of Transportation	1,350,761,500	1,443,590,000	1,611,445,000	92,828,500	167,855,000
Debt Service Requirements	207,852,700	228,163,000	246,782,000	20,310,300	18,619,000
Capital Outlay Program	132,949,000	70,232,000	391,640,000	(62,717,000)	321,408,000
Facilities Revolving Fund	99,211,500	99,607,700	136,240,000	396,200	36,632,300
Cities & Counties - State Shared Taxes	654,591,300	646,200,000	665,300,000	(8,391,300)	19,100,000
II. REVENUE SOURCES					
APPROPRIATION	\$9,658,542,700	\$9,924,479,700	\$10,655,106,900	\$265,937,000	\$730,627,200
General Fund	7,913,733,200	8,399,448,100	9,059,103,300	485,714,900	659,655,200
Department of Transportation	783,425,000 **	622,850,000	638,400,000	(160,575,000)	15,550,000
Debt Service Requirements	207,852,700	228,163,000	246,782,000	20,310,300	18,619,000
Capital Outlay Program	98,606,000 **	27,497,000	45,200,000	(71,109,000)	17,703,000
Facilities Revolving Fund	334,500	321,600	321,600	(12,900)	0
Cities & Counties - State Shared Taxes	654,591,300	646,200,000	665,300,000	(8,391,300)	19,100,000
BONDS	\$0	\$90,503,000	\$453,700,000	\$90,503,000	\$363,197,000
Department of Transportation	0	74,000,000	159,000,000	74,000,000	85,000,000
Capital Outlay Program	0	16,503,000	269,400,000	16,503,000	252,897,000
Facilities Revolving Fund	0	0	25,300,000	0	25,300,000
FEDERAL	\$7,890,682,000	\$8,695,386,900	\$9,139,046,400	\$804,704,900	\$443,659,500
General Fund	7,352,246,300	7,977,870,900	8,352,351,400	625,624,600	374,480,500
Department of Transportation	530,219,700	710,959,000	777,173,000	180,739,300	66,214,000
Capital Outlay Program	8,216,000	6,557,000	9,522,000	(1,659,000)	2,965,000
CURRENT SERVICES & OTHER	\$3,172,650,500	3,490,196,100	\$3,597,228,800	\$317,545,600	\$107,032,700
General Fund *	3,010,529,700	3,335,454,000	3,382,220,400	324,924,300	46,766,400
Department of Transportation	37,116,800	35,781,000	36,872,000	(1,335,800)	1,091,000
Capital Outlay Program	26,127,000	19,675,000	67,518,000	(6,452,000)	47,843,000
Facilities Revolving Fund	98,877,000 ***	99,286,100	110,618,400	409,100	11,332,300
TOTAL STATE BUDGET	\$20,721,875,200	22,200,565,700	\$23,845,082,100	\$1,478,690,500	\$1,644,516,400

* Includes Higher Education's Tuition and Student Fees.

** Includes Tax Revenues and Bonds.

*** Includes Departmental Operating Revenues and Bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2002-2003, 2003-2004, and 2004-2005**

	Actual 2002-2003	Estimated 2003-2004	Recommended 2004-2005	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND	\$18,276,509,200	\$19,712,773,000	\$20,793,675,100	\$1,436,263,800	\$1,080,902,100
Appropriation	7,913,733,200	8,399,448,100	9,059,103,300	485,714,900	659,655,200
Federal	7,352,246,300	7,977,870,900	8,352,351,400	625,624,600	374,480,500
Current Services & Other Revenue*	3,010,529,700	3,335,454,000	3,382,220,400	324,924,300	46,766,400
II. DEPARTMENT OF TRANSPORTATION	\$1,350,761,500	\$1,443,590,000	\$1,611,445,000	\$92,828,500	\$167,855,000
Appropriation	783,425,000 **	622,850,000	638,400,000	(160,575,000)	15,550,000
Federal	530,219,700	710,959,000	777,173,000	180,739,300	66,214,000
Current Services & Other Revenue	37,116,800	35,781,000	36,872,000	(1,335,800)	1,091,000
Bonds	0	74,000,000	159,000,000	74,000,000	85,000,000
III. DEBT SERVICE REQUIREMENTS	\$207,852,700	\$228,163,000	\$246,782,000	\$20,310,300	\$18,619,000
Appropriation	207,852,700	228,163,000	246,782,000	20,310,300	18,619,000
IV. CAPITAL OUTLAY PROGRAM	\$132,949,000	\$70,232,000	\$391,640,000	(\$62,717,000)	\$321,408,000
Appropriation	98,606,000 **	27,497,000	45,200,000	(71,109,000)	17,703,000
Federal	8,216,000	6,557,000	9,522,000	(1,659,000)	2,965,000
Current Services & Other Revenue	26,127,000	19,675,000	67,518,000	(6,452,000)	47,843,000
Bonds	0	16,503,000	269,400,000	16,503,000	252,897,000
V. FACILITIES REVOLVING FUND	\$99,211,500	\$99,607,700	\$136,240,000	\$396,200	\$36,632,300
Appropriations	334,500	321,600	321,600	(12,900)	0
Current Services & Other Revenue	98,877,000 ***	99,286,100	110,618,400	409,100	11,332,300
Bonds	0	0	25,300,000	0	25,300,000
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$654,591,300	\$646,200,000	\$665,300,000	(\$8,391,300)	\$19,100,000
Appropriation	654,591,300	646,200,000	665,300,000	(8,391,300)	19,100,000
VII. TOTAL STATE BUDGET	\$20,721,875,200	\$22,200,565,700	\$23,845,082,100	\$1,478,690,500	\$1,644,516,400
Appropriation	9,658,542,700	9,924,479,700	10,655,106,900	265,937,000	730,627,200
Federal	7,890,682,000	8,695,386,900	9,139,046,400	804,704,900	443,659,500
Current Services & Other Revenue*	3,172,650,500	3,490,196,100	3,597,228,800	317,545,600	107,032,700
Bonds	0	90,503,000	453,700,000	90,503,000	363,197,000

*Includes Higher Education's Tuition and Student Fees.

**Includes Tax Revenues and Bonds.

***Includes Departmental Operating Revenues and Bonds.

**Departmental Summary of Continuation and Improvement
Recommendations from State Tax Revenue for Fiscal Year 2004-2005**

Department	2003-2004 Appropriations *		Recommended Appropriations for Fiscal Year 2004-2005				% Change
	Recurring	Non-Recurring	Base	% Change	Total Improvements	Total Recommended	
Legislature	\$27,509,700	\$12,900	\$27,509,700	0.00%	\$0	\$27,509,700	-0.05%
Fiscal Review Committee	751,400	800	853,300	13.56%	0	853,300	13.44%
Court System	86,957,400	195,200	86,957,400	0.00%	1,009,800	87,967,200	0.93%
Attorney General and Reporter	17,297,400	9,100	17,297,400	0.00%	5,500	17,302,900	-0.02%
District Attorneys General	45,443,100	115,400	45,443,100	0.00%	804,100	46,247,200	1.51%
Secretary of State	22,731,400	16,400	22,731,400	0.00%	0	22,731,400	-0.07%
District Public Defenders	26,668,100	27,600	26,668,100	0.00%	428,000	27,096,100	1.50%
Comptroller of the Treasury	58,270,500	13,900	58,270,500	0.00%	0	58,270,500	-0.02%
Post-Conviction Defender	1,087,600	900	1,087,600	0.00%	11,400	1,099,000	0.96%
Treasury Department	142,900	0	142,900	0.00%	0	142,900	0.00%
Claims and Compensation	8,125,500	0	9,408,500	15.79%	0	9,408,500	15.79%
Executive Department	3,782,800	500	3,592,600	-5.03%	18,800	3,611,400	-4.54%
Executive Dept. - Office of Homeland Security	887,500	0	843,100	-5.00%	0	843,100	-5.00%
Commissions	29,574,600	391,100	29,218,900	-1.20%	184,000	29,402,900	-1.88%
Finance and Administration (F&A)	12,992,700	3,000	12,588,200	-3.11%	5,900,000	18,488,200	42.26%
F&A - TennCare	2,247,921,100	287,300	2,137,273,200	-4.92%	352,772,300	2,490,045,500	10.76%
Personnel	4,440,800	4,500	4,313,200	-2.87%	0	4,313,200	-2.97%
General Services	2,159,100	12,100	2,063,600	-4.42%	0	2,063,600	-4.96%
Veterans Affairs	2,741,600	7,200	2,741,600	0.00%	122,000	2,863,600	4.18%
Board of Probation & Parole	57,211,900	35,900	56,016,000	-2.09%	768,900	56,784,900	-0.81%
Agriculture	55,292,000	772,200	54,168,000	-2.03%	5,475,000	59,643,000	6.38%
Tourist Development	7,432,900	1,800	7,059,000	-5.03%	0	7,059,000	-5.05%
Environment and Conservation	136,913,500	1,651,000	134,625,800	-1.67%	15,466,200	150,092,000	8.32%
Wildlife Resources Agency	35,712,700	1,625,800	35,231,800	-1.35%	4,938,800	40,170,600	7.58%
Correction	503,269,500	2,709,600	500,867,500	-0.48%	17,842,700	518,710,200	2.52%
Economic & Community Development	29,814,100	1,512,000	29,297,800	-1.73%	18,796,100	48,093,900	53.53%
Education (K-12)	2,797,948,500	0	2,789,746,200	-0.29%	164,755,100	2,954,501,300	5.60%
Higher Education	1,088,679,600	1,059,100	1,079,479,600	-0.85%	0	1,079,479,600	-0.94%
Commerce and Insurance	51,756,200	40,600	50,746,800	-1.95%	304,000	51,050,800	-1.44%
Financial Institutions	5,747,500	17,300	5,859,200	1.94%	762,900	6,622,100	14.87%
Labor and Workforce Development	23,468,700	13,600	22,520,300	-4.04%	2,767,800	25,288,100	7.69%
Mental Health & Developmental Disabilities	110,329,100	734,200	105,479,200	-4.40%	912,000	106,391,200	-4.21%
F&A - Mental Retardation Division	91,516,100	11,364,100	87,038,600	-4.89%	23,963,300	111,001,900	7.89%
Military	8,915,200	713,700	8,671,900	-2.73%	445,800	9,117,700	-5.31%
Health	103,984,100	167,700	97,766,600	-5.98%	3,430,800	101,197,400	-2.84%
Human Services	144,160,700	25,127,200	113,780,900	-21.07%	78,604,600	192,385,500	13.64%
Temporary Cash Assistance **	10,500,000	10,000,000	0	-100.00%	43,882,700	43,882,700	114.06%
Other Human Services Programs **	133,660,700	15,127,200	113,780,900	-14.87%	\$34,721,900	148,502,800	-0.19%
Revenue	43,488,500	1,554,800	43,646,000	0.36%	0	43,646,000	-3.10%
Tennessee Bureau of Investigation	25,859,300	247,700	24,566,300	-5.00%	503,100	25,069,400	-3.97%
Safety	115,060,700	3,462,100	106,126,000	-7.77%	13,731,300	119,857,300	1.13%
Miscellaneous Appropriations	38,770,100	5,072,100	39,370,100	1.55%	200,000,000	239,370,100	445.98%
Emergency and Contingency Fund	819,300	0	819,300	0.00%	0	819,300	0.00%
State Building Commission	250,000	0	250,000	0.00%	0	250,000	0.00%
Children's Services	264,313,800	268,500	257,108,200	-2.73%	5,133,600	262,241,800	-0.88%
Total General Fund	\$8,340,199,200	\$59,248,900	\$8,139,245,400	-2.41%	\$919,857,900	\$9,059,103,300	7.85%

* Includes recommended supplemental appropriations in the amount of \$11,328,700. For a detailed listing of supplementals, please see the table on page A-13.

** Human Services total includes these two line items.

**Departmental Summary of Improvements
Fiscal Year 2004-2005**

Code	Department	Total	Funding		
			Appropriation	Federal	Other
301	Legislature	\$0	\$0	\$0	\$0
301.50	Fiscal Review Committee	0	0	0	0
302	Court System	1,009,800	1,009,800	0	0
303	Attorney General and Reporter	5,500	5,500	0	0
304	District Attorneys General	863,300	804,100	0	59,200
305	Secretary of State	0	0	0	0
306	District Public Defenders	428,000	428,000	0	0
307	Comptroller of the Treasury	162,600	0	0	162,600
308	Post-Conviction Defender	11,400	11,400	0	0
309	Treasury Department	0	0	0	0
315	Executive Department	18,800	18,800	0	0
315.05	Executive Department - Office of Homeland Security	0	0	0	0
316	Commissions	5,747,500	184,000	192,400	5,371,100
317	Finance and Administration (F&A)	5,900,000	5,900,000	0	0
318	F&A - TennCare	1,086,916,100	352,772,300	632,327,700	101,816,100
319	Personnel	0	0	0	0
321	General Services	0	0	0	0
323	Veterans Affairs	122,000	122,000	0	0
324	Board of Probation and Parole	768,900	768,900	0	0
325	Agriculture	5,475,000	5,475,000	0	0
326	Tourist Development	0	0	0	0
327	Environment and Conservation	17,007,400	15,466,200	177,500	1,363,700
328	Wildlife Resources Agency	4,938,800	4,938,800	0	0
329	Correction	17,922,600	17,842,700	0	79,900
330	Economic & Community Development	18,796,100	18,796,100	0	0
331	Education (K-12)	174,755,100	164,755,100	0	10,000,000
332	Higher Education	0	0	0	0
335	Commerce and Insurance	603,200	304,000	0	299,200
336	Financial Institutions	1,029,400	762,900	0	266,500
337	Labor and Workforce Development	2,993,500	2,767,800	0	225,700
339	Mental Health & Developmental Disabilities	912,000	912,000	0	0
339.21	F&A - Mental Retardation Divison	58,505,900	23,963,300	0	34,542,600
341	Military	445,800	445,800	0	0
343	Health	5,430,800	3,430,800	2,000,000	0
345	Human Services	<u>80,129,700</u>	<u>78,604,600</u>	<u>1,525,100</u>	<u>0</u>
345.23	Temporary Cash Assistance *	43,882,700	43,882,700	0	0
	Other Human Services Programs *	36,247,000	34,721,900	1,525,100	0
347	Revenue	0	0	0	0
348	Tennessee Bureau of Investigation	503,100	503,100	0	0
349	Safety	13,731,300	13,731,300	0	0
351	Miscellaneous Appropriations	200,000,000	200,000,000	0	0
359	Children's Services	8,180,700	5,133,600	2,687,700	359,400
	Sub-total General Fund	<u>\$1,713,314,300</u>	<u>\$919,857,900</u>	<u>\$638,910,400</u>	<u>\$154,546,000</u>
400	Transportation	0	0	0	0
	Total All Funds	<u>\$1,713,314,300</u>	<u>\$919,857,900</u>	<u>\$638,910,400</u>	<u>\$154,546,000</u>

* These two line items are included in the Human Services total.

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2003-2004**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:	
2003 Appropriations Act - Work Program	\$ 8,362,390,900
2003 Appropriations Act - Additions	1,728,500
2004 Supplemental Appropriations	<u>35,328,700</u>
Total General Fund Requirements	<u>\$ 8,399,448,100</u>
Less: Overappropriation	<u>(104,600,000)</u>
Net General Fund Requirements	<u>\$ 8,294,848,100</u>
Transportation Equity Fund	21,000,000
Capital Outlay Program	27,497,000
Metro Sports Authority Debt Service	3,986,000
Personal License Plates Reserves	3,200,000
Ad Valorem Tax Reduction Fund	4,700,000
Facilities Revolving Fund	<u>321,600</u>
Total Other Requirements	<u>\$ 60,704,600</u>
Total Appropriation Requirements	<u><u>\$ 8,355,552,700</u></u>

II. GENERAL FUND REVENUES AND RESERVES

State Tax Revenue - Department of Revenue - Revised	\$ 7,386,200,000
State Tax Revenue - Other State Revenue - Revised	708,300,000
Miscellaneous Revenue - Revised	89,700,000
Tobacco Funds	147,800,000
IGT Revenue	49,800,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2003-2004	21,000,000
Debt Service Fund Transfer at June 30, 2004	53,500,000
Realty Transfer Tax - Transfer to General Fund	14,000,000
Highway Fund - Transfer to General Fund	65,800,000
Federal Essential Services Reserve at June 30, 2003	42,900,000
Federal Essential Services Revenue	96,732,600
Revenue Fluctuation Reserve at June 30, 2003	178,000,000
Undesignated Fund Balance at June 30, 2003	<u>200,000</u>
Total General Fund Revenues and Reserves	<u><u>\$ 8,855,032,600</u></u>

III. AVAILABLE FUNDS AT JUNE 30, 2004

Revenue Fluctuation Reserve	\$ 178,000,000
Reserve for Appropriations 2004-2005	216,900,000
Reserve for Federal Essential Services	104,303,900
Undesignated Fund Balance	<u>276,000</u>
Total Available Funds	<u><u>\$ 499,479,900</u></u>

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2004-2005**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:	
Base Budget Requirements	\$ 8,338,483,500
Base Budget Reductions	(199,506,400)
Base Budget Reductions - Dedicated Revenues	<u>268,300</u>
Base Budget Recommended	\$ 8,139,245,400
Improvement Budget Recommendations:	
K-12 BEP:	
BEP Formula	50,100,000
Teacher Salary Equalization	35,000,000
Teachers' Salary Increase and Bonus	54,900,000
Group Health Insurance	18,800,000
TennCare	352,772,300
TCRS - Teachers and Employees	73,400,000
Employees' Salary Increases and Bonus	56,100,000
Employees' Group Health Insurance	27,300,000
Other Improvements	<u>251,485,600</u>
Total Improvements	\$ 919,857,900
Total General Fund Requirements	\$ 9,059,103,300
Less: Overappropriation	<u>(104,600,000)</u>
Net General Fund Requirements	\$ 8,954,503,300
Other Programs:	
Transportation Equity Fund	21,600,000
Capital Outlay Program	45,200,000
Metro Sports Authority Debt Service	3,981,000
Personal License Plates Fund Reserves	3,200,000
Ad Valorem Tax Reduction Fund	4,700,000
Facilities Revolving Fund	<u>321,600</u>
Total Other Requirements	\$ 79,002,600
Total Appropriation Requirements	\$ 9,033,505,900

II. GENERAL FUND REVENUES AND RESERVES

State Tax Revenue - Department of Revenue	\$ 7,684,500,000
State Tax Revenue - Other State Revenue	723,900,000
Miscellaneous Revenue	87,400,000
Tobacco Funds	147,800,000
IGT Revenue	49,800,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2004-2005	216,900,000
Realty Transfer Tax - Transfer to General Fund	7,500,000
Highway Fund - Transfer to General Fund	65,800,000
Federal Essential Services Reserve at June 30, 2004	104,303,900
Revenue Fluctuation Reserve at June 30, 2004	178,000,000
Undesignated Fund Balance at June 30, 2004	<u>276,000</u>

Total General Fund Revenues and Reserves **\$ 9,267,279,900**

III. AVAILABLE FUNDS AT JUNE 30, 2005

Revenue Fluctuation Reserve	\$ 233,500,000
Undesignated Fund Balance	<u>274,000</u>

Total Available Funds **\$ 233,774,000**

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2003-2004 and 2004-2005

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION:			
D.O.T. Headquarters	\$14,272,000	\$14,271,000	(\$1,000)
Bureau of Engineering	23,186,000	25,900,000	2,714,000
Bureau of Administration	29,787,000	32,840,000	3,053,000
Bureau of Environment and Planning	6,576,000	7,174,000	598,000
Field Engineering	26,323,000	26,630,000	307,000
Insurance Premiums	8,490,000	10,282,000	1,792,000
Total	\$108,634,000	\$117,097,000	\$8,463,000
EQUIPMENT PURCHASES & OPERATIONS:	\$17,794,000	\$21,431,000	\$3,637,000
HIGHWAY MAINTENANCE:	\$280,945,000	\$253,428,000	(\$27,517,000)
STATE CONSTRUCTION:			
Highway Betterments	\$5,700,000	\$5,700,000	\$0
State Aid	27,922,000	28,922,000	1,000,000
State Industrial Access	10,815,000	10,815,000	0
Local Interstate Connectors	1,475,000	1,475,000	0
Capital Improvements	7,374,000	10,055,000	2,681,000
Total	\$53,286,000	\$56,967,000	\$3,681,000
FEDERAL CONSTRUCTION:			
Mass Transit	\$28,188,000	\$30,146,000	\$1,958,000
Planning & Research	7,700,000	5,100,000	(2,600,000)
Interstate Construction	13,025,000	14,825,000	1,800,000
Forest Highways	200,000	200,000	0
State Highway Construction	157,578,000	267,821,000	110,243,000
Bridge Replacement	5,000,000	5,000,000	0
Air, Water, and Rail	24,500,000	25,385,000	885,000
Total	\$236,191,000	\$348,477,000	\$112,286,000
TOTAL APPROPRIATION REQUIREMENTS	\$696,850,000	\$797,400,000	\$100,550,000
II. FUNDING REQUIREMENTS:			
Highway User Taxes	\$635,500,000	\$650,400,000	\$14,900,000
Miscellaneous Revenue	20,150,000	20,200,000	50,000
Bonds	74,000,000	159,000,000	85,000,000
Highway Fund Balance/Reserves	12,000,000	12,000,000	0
Transportation Equity Fund	21,000,000	21,600,000	600,000
Sub-Total	\$762,650,000	\$863,200,000	\$100,550,000
General Fund Transfer	(65,800,000)	(65,800,000)	0
TOTAL FUNDING REQUIREMENTS	\$696,850,000	\$797,400,000	\$100,550,000

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2003-2004 and 2004-2005

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Difference</u>
I. STATE FUNDS:			
Administration	\$108,634,000	\$117,097,000	\$8,463,000
Equipment Purchases	17,794,000	21,431,000	3,637,000
Highway Maintenance	280,945,000	253,428,000	(27,517,000)
State Construction	53,286,000	56,967,000	3,681,000
Federal Aid Construction	162,191,000	189,477,000	27,286,000
Total	\$622,850,000	\$638,400,000	\$15,550,000
II. BOND AUTHORIZATIONS:			
State Construction	\$0	\$0	\$0
Federal Aid Construction	74,000,000	159,000,000	85,000,000
Total	\$74,000,000	\$159,000,000	\$85,000,000
III. FEDERAL AID:			
Federal Aid Construction	\$710,959,000	\$777,173,000	\$66,214,000
IV. LOCAL GOVERNMENTS:			
Highway Maintenance	\$1,100,000	\$1,100,000	\$0
State Construction	11,998,000	10,534,000	(1,464,000)
Federal Aid Construction	22,683,000	25,238,000	2,555,000
Total	\$35,781,000	\$36,872,000	\$1,091,000
V. GRAND TOTAL:			
Administration	\$108,634,000	\$117,097,000	\$8,463,000
Equipment Purchases	17,794,000	21,431,000	3,637,000
Highway Maintenance	282,045,000	254,528,000	(27,517,000)
State Construction	65,284,000	67,501,000	2,217,000
Federal Aid Construction	969,833,000	1,150,888,000	181,055,000
Total	\$1,443,590,000	\$1,611,445,000	\$167,855,000

**Education Fund
 Lottery-Funded Education Programs
 Appropriation Requirements and State Revenues
 Fiscal Year 2004-2005**

I. Appropriation Requirements

Higher Education Scholarships	\$ 171,300,000
K-12 Education:	
Pre-kindergarten and Early Childhood Education	8,000,000 *
After-School Program	2,000,000 *
Tennessee Higher Education Commission	510,200 *
Tennessee Student Assistance Corporation	<u>1,612,500 *</u>
Sub-Total Appropriation Requirements	<u>\$ 183,422,700</u>
General Shortfall Reserve Subaccount (5%)	\$ 9,650,100
Special Reserve Account - Local Government (1%)	<u>1,930,000</u>
Sub-Total Reserve Accounts	<u>\$ 11,580,100</u>
Total Requirements	<u><u>\$ 195,002,800</u></u>

II. Available Education Lottery Revenues

Lottery for Education Account - Net Lottery Proceeds	\$ 193,002,800
Unclaimed Prizes (state's 50% share)	<u>2,000,000</u>
Total Available Lottery Revenues	<u><u>\$ 195,002,800</u></u>

* Estimated in departmental revenues of affected agencies.

Note: These estimates are subject to change after the State Funding Board review of revenues from these sources in Spring 2004.

**General Fund and Education Fund
Supplemental Appropriations
Fiscal Year 2003-2004**

	<u>2003-2004</u>
Finance and Administration - Division of Mental Retardation Services	
Community MR Services - Community Services Network	\$ 6,000,000
Community MR Services - Community Services Waiver Moritorium	<u>5,328,700</u>
Sub-Total F&A - Mental Retardation	<u>\$ 11,328,700</u>
Department of Human Services	
Temporary Cash Assistance - Cash Assistance Grants	\$ 10,000,000
Community Services - Child Care	<u>14,000,000</u>
Sub-Total - Human Services	<u>\$ 24,000,000</u>
Total Supplemental Appropriations	<u><u>\$ 35,328,700</u></u>

Comparison of Programs

Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Allot. Code	Department	Actual 2002-2003	Estimated 2003-2004	Recommended 2004-2005	Act. vs Est. Difference	Est. vs Rec. Difference
301	Legislature	\$26,371,800	\$29,125,300	\$29,112,400	\$2,753,500	(\$12,900)
	Appropriation	26,159,600	27,522,600	27,509,700	1,363,000	(12,900)
	Current Services and Other Revenue	212,200	1,602,700	1,602,700	1,390,500	0
301.50	Fiscal Review Committee	\$825,000	\$803,700	\$853,300	(\$21,300)	\$49,600
	Appropriation	793,000	752,200	853,300	(40,800)	101,100
	Current Services and Other Revenue	32,000	51,500	0	19,500	(51,500)
302	Court System	\$84,494,700	\$90,964,900	\$91,596,900	\$6,470,200	\$632,000
	Appropriation	80,074,400	87,152,600	87,967,200	7,078,200	814,600
	Federal	377,100	200,000	200,000	(177,100)	0
	Current Services and Other Revenue	4,043,200	3,612,300	3,429,700	(430,900)	(182,600)
303	Attorney General and Reporter	\$23,258,700	\$27,369,900	\$27,359,000	\$4,111,200	(\$10,900)
	Appropriation	14,856,100	17,306,500	17,302,900	2,450,400	(3,600)
	Current Services and Other Revenue	8,402,600	10,063,400	10,056,100	1,660,800	(7,300)
304	District Attorneys General	\$59,835,600	\$62,153,500	\$61,715,600	\$2,317,900	(\$437,900)
	Appropriation	43,655,700	45,558,500	46,247,200	1,902,800	688,700
	Federal	15,600	0	0	(15,600)	0
	Current Services and Other Revenue	16,164,300	16,595,000	15,468,400	430,700	(1,126,600)
305	Secretary of State	\$28,504,700	\$37,612,600	\$35,836,600	\$9,107,900	(\$1,776,000)
	Appropriation	16,710,700	22,747,800	22,731,400	6,037,100	(16,400)
	Federal	2,386,800	5,846,700	5,846,700	3,459,900	0
	Current Services and Other Revenue	9,407,200	9,018,100	7,258,500	(389,100)	(1,759,600)
306	District Public Defenders	\$26,110,400	\$27,771,200	\$28,149,100	\$1,660,800	\$377,900
	Appropriation	25,123,600	26,695,700	27,096,100	1,572,100	400,400
	Current Services and Other Revenue	986,800	1,075,500	1,053,000	88,700	(22,500)
307	Comptroller of the Treasury	\$70,136,300	\$68,167,400	\$68,270,900	(\$1,968,900)	\$103,500
	Appropriation	61,222,300	58,284,400	58,270,500	(2,937,900)	(13,900)
	Current Services and Other Revenue	8,914,000	9,883,000	10,000,400	969,000	117,400
308	Post-Conviction Defender	\$963,100	\$1,088,500	\$1,099,000	\$125,400	\$10,500
	Appropriation	949,900	1,088,500	1,099,000	138,600	10,500
	Federal	13,200	0	0	(13,200)	0
309	Treasury Department	\$14,198,400	\$17,603,200	\$16,903,700	\$3,404,800	(\$699,500)
	Appropriation	585,200	142,900	142,900	(442,300)	0
	Current Services and Other Revenue	13,613,200	17,460,300	16,760,800	3,847,100	(699,500)
313	Claims and Compensation	\$62,734,700	\$74,836,900	\$81,044,200	\$12,102,200	\$6,207,300
	Appropriation	5,175,500	8,125,500	9,408,500	2,950,000	1,283,000
	Federal	5,095,000	4,451,000	3,168,000	(644,000)	(1,283,000)
	Current Services and Other Revenue	52,464,200	62,260,400	68,467,700	9,796,200	6,207,300
315	Executive Department	\$3,606,200	\$3,833,000	\$3,611,400	\$226,800	(\$221,600)
	Appropriation	3,606,200	3,783,300	3,611,400	177,100	(171,900)
	Current Services and Other Revenue	0	49,700	0	49,700	(49,700)
315.05	Executive Department - Office of Homeland Security	\$315,800	\$3,724,500	\$2,030,200	\$3,408,700	(\$1,694,300)
	Appropriation	198,000	887,500	843,100	689,500	(44,400)
	Current Services and Other Revenue	117,800	2,837,000	1,187,100	2,719,200	(1,649,900)
316	Commissions	\$240,117,700	\$361,383,500	\$365,919,000	\$121,265,800	\$4,535,500
	Appropriation	28,718,000	29,965,700	29,402,900	1,247,700	(562,800)
	Federal	175,674,500	282,307,500	282,749,800	106,633,000	442,300
	Current Services and Other Revenue	35,725,200	49,110,300	53,766,300	13,385,100	4,656,000

Comparison of Programs

Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Allot. Code	Department	Actual 2002-2003	Estimated 2003-2004	Recommended 2004-2005	Act. vs Est. Difference	Est. vs Rec. Difference
317	Finance and Administration (F&A)	\$197,606,600	\$196,216,700	\$201,478,200	(\$1,389,900)	\$5,261,500
	Appropriation	7,798,500	12,995,700	18,488,200	5,197,200	5,492,500
	Federal	27,267,900	32,387,300	32,372,200	5,119,400	(15,100)
	Current Services and Other Revenue	162,540,200	150,833,700	150,617,800	(11,706,500)	(215,900)
318	F&A - TennCare	\$6,864,485,100	\$7,246,243,300	\$7,857,642,400	\$381,758,200	\$611,399,100
	Appropriation	2,057,203,600	2,248,208,400	2,490,045,500	191,004,800	241,837,100
	Federal	4,483,557,600	4,582,785,000	4,905,789,900	99,227,400	323,004,900
	Current Services and Other Revenue	323,723,900	415,249,900	461,807,000	91,526,000	46,557,100
319	Personnel	\$7,642,300	\$8,890,800	\$8,906,700	\$1,248,500	\$15,900
	Appropriation	3,430,300	4,445,300	4,313,200	1,015,000	(132,100)
	Current Services and Other Revenue	4,212,000	4,445,500	4,593,500	233,500	148,000
321	General Services	\$86,058,000	\$90,407,200	\$89,622,100	\$4,349,200	(\$785,100)
	Appropriation	5,154,900	2,171,200	2,063,600	(2,983,700)	(107,600)
	Current Services and Other Revenue	80,903,100	88,236,000	87,558,500	7,332,900	(677,500)
323	Veterans Affairs	\$3,298,300	\$3,191,500	\$3,306,300	(\$106,800)	\$114,800
	Appropriation	2,762,600	2,748,800	2,863,600	(13,800)	114,800
	Federal	340,800	360,000	360,000	19,200	0
	Current Services and Other Revenue	194,900	82,700	82,700	(112,200)	0
324	Board of Probation and Parole	\$55,238,000	\$57,812,800	\$57,224,900	\$2,574,800	(\$587,900)
	Appropriation	54,964,700	57,247,800	56,784,900	2,283,100	(462,900)
	Current Services and Other Revenue	273,300	565,000	440,000	291,700	(125,000)
325	Agriculture	\$67,736,100	\$75,997,000	\$78,515,000	\$8,260,900	\$2,518,000
	Appropriation	49,275,300	56,064,200	59,643,000	6,788,900	3,578,800
	Federal	10,676,400	10,825,700	10,165,400	149,300	(660,300)
	Current Services and Other Revenue	7,784,400	9,107,100	8,706,600	1,322,700	(400,500)
326	Tourist Development	\$12,222,300	\$14,027,700	\$13,635,800	\$1,805,400	(\$391,900)
	Appropriation	7,701,800	7,434,700	7,059,000	(267,100)	(375,700)
	Current Services and Other Revenue	4,520,500	6,593,000	6,576,800	2,072,500	(16,200)
327	Environment and Conservation	\$239,992,100	\$300,756,100	\$311,575,000	\$60,764,000	\$10,818,900
	Appropriation	124,513,900	138,564,500	150,092,000	14,050,600	11,527,500
	Federal	42,279,000	74,980,100	75,263,200	32,701,100	283,100
	Current Services and Other Revenue	73,199,200	87,211,500	86,219,800	14,012,300	(991,700)
328	Wildlife Resources Agency	\$63,938,700	\$76,870,400	\$57,733,300	\$12,931,700	(\$19,137,100)
	Appropriation	34,279,700	37,338,500	40,170,600	3,058,800	2,832,100
	Federal	18,181,800	22,641,300	14,135,700	4,459,500	(8,505,600)
	Current Services and Other Revenue	11,477,200	16,890,600	3,427,000	5,413,400	(13,463,600)
329	Correction	\$475,734,600	\$537,346,200	\$549,773,000	\$61,611,600	\$12,426,800
	Appropriation	458,562,100	505,979,100	518,710,200	47,417,000	12,731,100
	Federal	2,338,500	15,784,700	15,784,700	13,446,200	0
	Current Services and Other Revenue	14,834,000	15,582,400	15,278,100	748,400	(304,300)
330	Economic and Community Development	\$69,389,200	\$78,984,800	\$94,638,300	\$9,595,600	\$15,653,500
	Appropriation	30,694,900	31,326,100	48,093,900	631,200	16,767,800
	Federal	28,410,000	34,818,200	34,829,300	6,408,200	11,100
	Current Services and Other Revenue	10,284,300	12,840,500	11,715,100	2,556,200	(1,125,400)
331	Education (K-12)	\$3,318,215,100	\$3,628,154,800	\$3,810,674,900	\$309,939,700	\$182,520,100
	Appropriation	2,695,772,500	2,797,948,500	2,954,501,300	102,176,000	156,552,800
	Federal	600,586,200	817,812,400	838,017,700	217,226,200	20,205,300
	Current Services and Other Revenue	21,856,400	12,393,900	18,155,900	(9,462,500)	5,762,000

Comparison of Programs

Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Allot. Code	Department	Actual 2002-2003	Estimated 2003-2004	Recommended 2004-2005	Act. vs Est. Difference	Est. vs Rec. Difference
332	Higher Education	\$2,300,046,000	\$2,382,798,800	\$2,392,941,700	\$82,752,800	\$10,142,900
	Appropriation	1,103,691,500	1,089,738,700	1,079,479,600	(13,952,800)	(10,259,100)
	Federal	133,893,500	141,474,800	161,485,300	7,581,300	20,010,500
	Current Services and Other Revenue	398,045,500	406,865,300	407,256,800	8,819,800	391,500
	Tuition and Student Fees	664,415,500	744,720,000	744,720,000	80,304,500	0
335	Commerce and Insurance	\$62,466,000	\$82,216,500	\$81,554,400	\$19,750,500	(\$662,100)
	Appropriation	33,318,700	51,796,800	51,050,800	18,478,100	(746,000)
	Federal	191,000	645,900	235,000	454,900	(410,900)
	Current Services and Other Revenue	28,956,300	29,773,800	30,268,600	817,500	494,800
336	Financial Institutions	\$8,629,400	\$9,464,500	\$10,589,900	\$835,100	\$1,125,400
	Appropriation	4,185,000	5,764,800	6,622,100	1,579,800	857,300
	Current Services and Other Revenue	4,444,400	3,699,700	3,967,800	(744,700)	268,100
337	Labor and Workforce Development	\$187,720,100	\$206,682,400	\$194,721,100	\$18,962,300	(\$11,961,300)
	Appropriation	22,427,000	23,482,300	25,288,100	1,055,300	1,805,800
	Federal	139,008,600	147,542,400	159,264,500	8,533,800	11,722,100
	Current Services and Other Revenue	26,284,500	35,657,700	10,168,500	9,373,200	(25,489,200)
339	Mental Health and Developmental Disabilities	\$209,279,600	\$222,007,600	\$216,786,700	\$12,728,000	(\$5,220,900)
	Appropriation	96,765,800	111,063,300	106,391,200	14,297,500	(4,672,100)
	Federal	21,000,600	20,602,500	19,559,100	(398,100)	(1,043,400)
	Current Services and Other Revenue	91,513,200	90,341,800	90,836,400	(1,171,400)	494,600
339.21	F&A - Mental Retardation Division	\$562,489,800	\$637,476,800	\$679,341,900	\$74,987,000	\$41,865,100
	Appropriation	94,247,200	102,880,200	111,001,900	8,633,000	8,121,700
	Federal	1,643,800	2,092,100	2,092,100	448,300	0
	Current Services and Other Revenue	466,598,800	532,504,500	566,247,900	65,905,700	33,743,400
341	Military	\$52,765,100	\$97,119,000	\$96,292,900	\$44,353,900	(\$826,100)
	Appropriation	11,774,400	9,628,900	9,117,700	(2,145,500)	(511,200)
	Federal	38,590,500	85,655,700	85,385,800	47,065,200	(269,900)
	Current Services and Other Revenue	2,400,200	1,834,400	1,789,400	(565,800)	(45,000)
343	Health	\$401,657,800	\$461,804,700	\$462,871,700	\$60,146,900	\$1,067,000
	Appropriation	88,345,500	104,151,800	101,197,400	15,806,300	(2,954,400)
	Federal	208,191,500	250,609,800	252,438,100	42,418,300	1,828,300
	Current Services and Other Revenue	105,120,800	107,043,100	109,236,200	1,922,300	2,193,100
345	Human Services	\$1,598,004,700	\$1,612,277,100	\$1,645,559,400	\$14,272,400	\$33,282,300
	Appropriation	169,487,400	169,287,900	192,385,500	(199,500)	23,097,600
	Federal	1,305,648,400	1,333,021,800	1,343,056,200	27,373,400	10,034,400
	Current Services and Other Revenue	122,868,900	109,967,400	110,117,700	(12,901,500)	150,300
	Temporary Cash Assistance *	\$140,903,600	\$137,796,400	\$161,179,100	(\$3,107,200)	\$23,382,700
	Appropriation	18,168,900	20,500,000	43,882,700	2,331,100	23,382,700
	Federal	116,659,000	111,220,900	113,916,200	(5,438,100)	2,695,300
	Current Services and Other Revenue	6,075,700	6,075,500	3,380,200	(200)	(2,695,300)
	Food Stamp Coupons *	\$665,293,100	\$720,000,000	\$740,000,000	\$54,706,900	\$20,000,000
	Federal	665,293,100	720,000,000	740,000,000	54,706,900	20,000,000
	Other Human Services Programs *	\$791,808,000	\$754,480,700	\$744,380,300	(\$37,327,300)	(\$10,100,400)
	Appropriation	151,318,500	148,787,900	148,502,800	(2,530,600)	(285,100)
	Federal	523,696,300	501,800,900	489,140,000	(21,895,400)	(12,660,900)
	Current Services and Other Revenue	116,793,200	103,891,900	106,737,500	(12,901,300)	2,845,600
347	Revenue	\$57,709,400	\$62,949,700	\$62,446,400	\$5,240,300	(\$503,300)
	Appropriation	39,357,800	45,043,300	43,646,000	5,685,500	(1,397,300)
	Federal	29,000	22,000	22,000	(7,000)	0
	Current Services and Other Revenue	18,322,600	17,884,400	18,778,400	(438,200)	894,000

Comparison of Programs

Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Allot. Code	Department	Actual 2002-2003	Estimated 2003-2004	Recommended 2004-2005	Act. vs Est. Difference	Est. vs Rec. Difference
348	Tennessee Bureau of Investigation	\$45,101,100	\$50,759,300	\$44,170,300	\$5,658,200	(\$6,589,000)
	Appropriation	26,484,100	26,107,000	25,069,400	(377,100)	(1,037,600)
	Federal	7,407,400	10,991,300	7,581,200	3,583,900	(3,410,100)
	Current Services and Other Revenue	11,209,600	13,661,000	11,519,700	2,451,400	(2,141,300)
349	Safety	\$145,375,000	\$165,013,400	\$164,104,400	\$19,638,400	(\$909,000)
	Appropriation	105,568,000	118,522,800	119,857,300	12,954,800	1,334,500
	Federal	4,272,800	6,315,500	6,010,000	2,042,700	(305,500)
	Current Services and Other Revenue	35,534,200	40,175,100	38,237,100	4,640,900	(1,938,000)
351	Miscellaneous Appropriations	\$24,878,800	\$43,842,200	\$239,370,100	\$18,963,400	\$195,527,900
	Appropriation	24,738,800	43,842,200	239,370,100	19,103,400	195,527,900
	Current Services and Other Revenue	140,000	0	0	(140,000)	0
353	Emergency and Contingency Fund	\$0	\$819,300	\$819,300	\$819,300	\$0
	Appropriation	0	819,300	819,300	819,300	0
355	State Building Commission	\$435,900	\$290,000	\$250,000	(\$145,900)	(\$40,000)
	Appropriation	250,000	250,000	250,000	0	0
	Current Services and Other Revenue	185,900	40,000	0	(145,900)	(40,000)
359	Children's Services	\$516,921,000	\$555,914,300	\$553,627,700	\$38,993,300	(\$2,286,600)
	Appropriation	253,149,000	264,582,300	262,241,800	11,433,300	(2,340,500)
	Federal	95,168,800	93,697,200	96,539,500	(1,471,600)	2,842,300
	Current Services and Other Revenue	168,603,200	197,634,800	194,846,400	29,031,600	(2,788,400)
	Grand Total - General Fund	\$18,276,509,200	\$19,712,773,000	\$20,793,675,100	\$1,436,263,800	\$1,080,902,100
	Appropriation	7,913,733,200	8,399,448,100	9,059,103,300	485,714,900	659,655,200
	Federal	7,352,246,300	7,977,870,900	8,352,351,400	625,624,600	374,480,500
	Current Services and Other Revenue	2,346,114,200	2,590,734,000	2,637,500,400	244,619,800	46,766,400
	Tuition and Student Fees	664,415,500	744,720,000	744,720,000	80,304,500	0
400	Transportation	\$1,350,761,500	\$1,443,590,000	\$1,611,445,000	\$92,828,500	\$167,855,000
	Appropriation	783,425,000	622,850,000	638,400,000	(160,575,000)	15,550,000
	Federal	530,219,700	710,959,000	777,173,000	180,739,300	66,214,000
	Current Services and Other Revenue	37,116,800	35,781,000	36,872,000	(1,335,800)	1,091,000
	Bonds	0	74,000,000	159,000,000	74,000,000	85,000,000
	Debt Service Requirements	\$207,852,700	\$228,163,000	\$246,782,000	\$20,310,300	\$18,619,000
	Appropriation	207,852,700	228,163,000	246,782,000	20,310,300	18,619,000
	Capital Outlay Program	\$132,949,000	\$70,232,000	\$391,640,000	(\$62,717,000)	\$321,408,000
	Appropriation	98,606,000	27,497,000	45,200,000	(71,109,000)	17,703,000
	Federal	8,216,000	6,557,000	9,522,000	(1,659,000)	2,965,000
	Current Services and Other Revenue	26,127,000	19,675,000	67,518,000	(6,452,000)	47,843,000
	Bonds	0	16,503,000	269,400,000	16,503,000	252,897,000
	Facilities Revolving Fund	\$99,211,500	\$99,607,700	\$136,240,000	\$396,200	\$36,632,300
	Appropriation	334,500	321,600	321,600	(12,900)	0
	Current Services and Other Revenue	98,877,000	99,286,100	110,618,400	409,100	11,332,300
	Bonds	0	0	25,300,000	0	25,300,000
	Cities & Counties - State Shared Taxes	\$654,591,300	\$646,200,000	\$665,300,000	(\$8,391,300)	\$19,100,000
	Appropriation	654,591,300	646,200,000	665,300,000	(8,391,300)	19,100,000
	Total State Budget - All Programs	\$20,721,875,200	\$22,200,565,700	\$23,845,082,100	\$1,478,690,500	\$1,644,516,400
	Appropriation	\$9,658,542,700	\$9,924,479,700	\$10,655,106,900	\$265,937,000	\$730,627,200
	Federal	7,890,682,000	8,695,386,900	9,139,046,400	804,704,900	443,659,500
	Current Services and Other Revenue	2,508,235,000	2,745,476,100	2,852,508,800	237,241,100	107,032,700
	Tuition and Student Fees	664,415,500	744,720,000	744,720,000	80,304,500	0
	Bonds	0	90,503,000	453,700,000	90,503,000	363,197,000

* Included in Department Totals

Personnel and Funding Summary All Programs

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
GENERAL FUND			
Personnel			
Full-time	42,059	42,470	43,024
Part-time	1,369	2,060	2,044
Seasonal	855	849	782
TOTAL	44,283	45,379	45,850
Expenditures			
Payroll	\$1,717,910,100	\$1,929,765,100	\$1,944,228,700
Operational	14,393,275,300	15,551,815,700	16,628,239,000
TOTAL	\$16,111,185,400	\$17,481,580,800	\$18,572,467,700
Funding			
State	\$6,863,464,900	\$7,360,404,600	\$8,030,044,600
Federal	7,288,452,000	7,919,929,700	8,294,410,200
Other	1,959,268,500	2,201,246,500	2,248,012,900
HIGHER EDUCATION			
Full-time Personnel			
Administrative	5,453	5,501	5,501
Faculty	8,591	8,503	8,503
Clerical and Support	8,842	8,609	8,609
TOTAL	22,886	22,613	22,613
Funding			
State	\$1,050,268,300	\$1,039,043,500	\$1,029,058,700
Federal	63,794,300	57,941,200	57,941,200
Tuition/Fees	664,415,500	744,720,000	744,720,000
Other	386,845,700	389,487,500	389,487,500
TOTAL	\$2,165,323,800	\$2,231,192,200	\$2,221,207,400
GRAND TOTAL - GENERAL FUND			
Personnel			
Full-time *	64,945	65,083	65,637
Part-time	1,369	2,060	2,044
Seasonal	855	849	782
TOTAL	67,169	67,992	68,463
Expenditures			
Payroll	\$1,717,910,100	\$1,929,765,100	\$1,944,228,700
Operational	14,393,275,300	15,551,815,700	16,628,239,000
Higher Education	2,165,323,800	2,231,192,200	2,221,207,400
TOTAL	\$18,276,509,200	\$19,712,773,000	\$20,793,675,100

* Full-time includes Higher Education's full-time personnel.

Personnel and Funding Summary All Programs

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
Funding			
State	\$7,913,733,200	\$8,399,448,100	\$9,059,103,300
Federal	7,352,246,300	7,977,870,900	8,352,351,400
Other	3,010,529,700	3,335,454,000	3,382,220,400

DEPARTMENT OF TRANSPORTATION

Personnel			
Full-time	4,936	4,918	4,918
Part-time	0	0	0
Seasonal	0	0	0
TOTAL	<u>4,936</u>	<u>4,918</u>	<u>4,918</u>

Expenditures			
Payroll	\$183,268,000	\$200,500,800	\$207,017,400
Operational	1,167,493,500	1,243,089,200	1,404,427,600
TOTAL	<u>\$1,350,761,500</u>	<u>\$1,443,590,000</u>	<u>\$1,611,445,000</u>

Funding			
State	\$783,425,000	\$696,850,000	\$797,400,000
Federal	530,219,700	710,959,000	777,173,000
Other	37,116,800	35,781,000	36,872,000

GRAND TOTAL - ALL PROGRAMS

Personnel			
Full-time *	69,881	70,001	70,555
Part-time	1,369	2,060	2,044
Seasonal	855	849	782
TOTAL	<u><u>72,105</u></u>	<u><u>72,910</u></u>	<u><u>73,381</u></u>

Expenditures			
Payroll	\$1,901,178,100	\$2,130,265,900	\$2,151,246,100
Operational	15,560,768,800	16,794,904,900	18,032,666,600
Higher Education	2,165,323,800	2,231,192,200	2,221,207,400
TOTAL	<u><u>\$19,627,270,700</u></u>	<u><u>\$21,156,363,000</u></u>	<u><u>\$22,405,120,100</u></u>

Funding			
State	\$8,697,158,200	\$9,096,298,100	\$9,856,503,300
Federal	7,882,466,000	8,688,829,900	9,129,524,400
Other	3,047,646,500	3,371,235,000	3,419,092,400

* Full-time includes Higher Education's full-time personnel.

**Comparison of Authorized Positions
State Agencies and Higher Education
Fiscal Years 2003-2004 and 2004-2005**

	<u>2003-2004</u>	<u>2004-2005</u>	<u>Difference</u>
I. STATE AGENCIES			
General Fund	45,379	45,850	471
Full-time	42,470	43,024	554
Part-time	2,060	2,044	(16)
Seasonal	849	782	(67)
Department of Transportation	4,918	4,918	0
Full-time	4,918	4,918	0
Part-time	0	0	0
Seasonal	0	0	0
Total State Agencies	50,297	50,768	471
Full-time	47,388	47,942	554
Part-time	2,060	2,044	(16)
Seasonal	849	782	(67)
II. HIGHER EDUCATION			
Full-time Positions	22,613	22,613	0
Administrative	5,501	5,501	0
Faculty	8,503	8,503	0
Clerical and Support	8,609	8,609	0
III. STATE AGENCIES & HIGHER EDUCATION			
Total Positions	72,910	73,381	471
Full-time *	70,001	70,555	554
Part-time	2,060	2,044	(16)
Seasonal	849	782	(67)

* Includes Higher Education's full-time personnel.

Employees Overlapped Over 90 Days

	<u>Number</u>
301.00 Legislature	11
302.00 Court System	8
304.00 District Attorneys General Conference	7
305.00 Secretary of State	2
307.00 Comptroller of the Treasury	2
309.00 Treasury Department	1
316.00 Commissions	4
317.00 Finance and Administration	3
318.00 TennCare	1
325.00 Agriculture	5
326.00 Tourist Development	1
327.00 Environment and Conservation	18
328.00 Tennessee Wildlife Resources Agency	1
329.00 Correction	81
331.00 Education	4
335.00 Commerce and Insurance	2
339.00 Mental Health and Developmental Disabilities	38
339.21 Finance and Administration - Mental Retardation	35
343.00 Health	11
345.00 Human Services	27
348.00 Tennessee Bureau of Investigation	1
349.00 Safety	35
359.00 Children's Services	35
400.00 Transportation	<u>4</u>
Total	<u><u>337</u></u>

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2003-2004, and 2004-2005**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2003, and 2004
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,887	-
2003	164,461	-
2004	172,689	5.00

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-78, 2003-2004, and 2004-2005
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2003-2004	9,553.5	-
2004-2005	9,922.8	3.87

Note: This statement is presented in compliance with Tennessee Code Annotated, Title 9, Chapter 4, Part 52, relating to the calculation of estimated rate of growth of the state's economy and the appropriation of state revenue as required by the Tennessee Constitution, Article II, Section 24, the constitutional spending limitation.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2004 - 2005

Tennessee's fiscal environment depends on economic conditions that influence both the expenditure and revenue sides of the state budget. The Center for Business and Economic Research at the University of Tennessee prepared this summary of current economic conditions and expectations for short-term economic growth in Tennessee and the nation. For additional information, see the most recent edition of "An Economic Report to the Governor of the State of Tennessee."

Tennessee state government revenue collections and expenditure requirements are heavily influenced by current economic events, as is evident from recent experience. Following several years of weak growth the outlook calls for improved economic conditions for 2004 and 2005. Keys to sustained economic growth for Tennessee in the short run include a strong national economy and in particular further improvement in the rate of job growth.

Recent Economic Conditions - The Tennessee economy was able to engineer positive job growth in 2003, registering 0.2 percent, a significant improvement over 2002 when jobs fell at a 0.8 percent pace. The U. S. economy was not as fortunate as jobs were down 0.2 percent in 2003, although conditions did improve as the year unfolded. A particular sore spot for the state and the nation has been the manufacturing sector. Tennessee has seen jobs in manufacturing fall since 1995, while for the U. S. the slip began in 1998. For the state the long-term problem has been more acute in nondurable goods manufacturing, as the durable goods sector has been able to support positive job growth. More recently, as a result of the ongoing recession, jobs in both sectors have fallen. At the same time the service sector has performed well in the face of sluggish economic conditions. For example, professional and business service jobs were up 2.1 percent in 2003 while jobs in the education and health services sector advanced 3.3 percent. Jobs in professional and business services now account

for more than 1 out of 10 jobs in the state. Weak labor markets produced an estimated 5.2 percent unemployment rate for Tennessee in 2003 versus 6.0 percent for the nation.

Anemic job growth has translated into slow growth in personal income. After growing by only 3.0 percent in 2002, nominal personal income in Tennessee was up 3.6 percent in 2003, benefiting from a better performance from wage and salary income. Proprietor's income was up by more than 5 percent for the year while rent, interest and dividend income slipped 0.5 percent. U. S. personal income grew at the slower rate of 3.2 percent in 2003. Nominal per capita income in the state stood at \$28,071 in 2003 versus \$31,539 for the U. S. Taxable sales were up 2.9 percent in 2003, notable improvement over the sluggish 0.4 percent gain in 2002.

Short-term Economic Outlook - The economic outlook has improved markedly from last year at this time, buoyed by many factors including an unexpected 8.1 percent jump in inflation-adjusted gross domestic product in the third quarter of 2003. Consumer spending continues to be strong, benefiting from low interest rates, stronger rates of job growth and federal tax cuts. Notably, investment spending has rebounded, returned to the black and is expected to post a double-digit gain in 2004, the first since 1998. And the dollar's depreciation in international currency markets offers hope of stronger demand for U. S. produced goods and services and thus some improvement in the trade deficit. Together these forces should support 1.6 percent nonagricultural job growth for the national economy in 2004. Overall output, as measured by inflation-adjusted gross domestic product, will be up 4.7 percent in 2004 and 3.8 percent in 2005. The Federal Funds rate, which averaged 1.1 percent in 2003 will creep to 1.3 percent in 2004 and 2.4 percent in 2005. Finally, inflation will remain subdued as consumer prices are expected to rise 1.3 percent and 1.6 percent in 2004 and 2005.

An improved national economic outlook will help lift economic prospects for Tennessee in 2004 and 2005. Overall job growth for the state will

total 1.2 percent in the current calendar year, improving to 2.0 percent growth in 2005. Job losses in manufacturing are expected to continue, with a 1.0 percent setback forecast for 2004. At the same time job growth will be strong in the service-producing sector. Professional and business services will enjoy the strongest growth among the broad service sectors. The state unemployment rate will average 5.2 percent for the

year.

Stronger state nonagricultural job growth will yield more robust nominal income growth in 2004 and 2005, projected at 3.6 percent and 5.0 percent.

Per capita income is expected to grow 3.5 percent and 4.1 percent in 2004 and 2005. On a fiscal-year basis, expect nominal personal income to grow 5.4 percent in 2004-05, while taxable sales are expected to rise 4.6 percent.

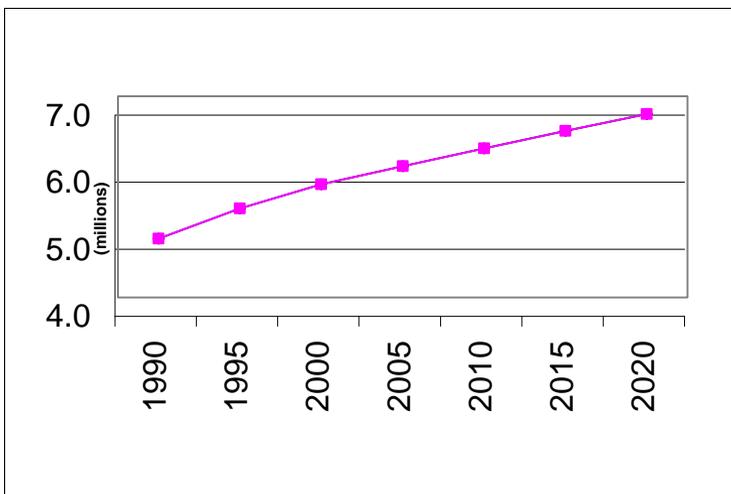
Article provided by the Center for Business and Economic Research, University of Tennessee at Knoxville.

Tennessee Characteristics

Demographic Characteristics¹

	1990	2000	2002
Total Population	4,877,203	5,689,283	5,797,289
Percent of Population by Age Group			
Under Age 5	7.0%	6.6%	6.6%
Age 5 to 17	18.1%	18.0%	17.6%
Age 18 to 24	10.9%	9.6%	9.6%
Age 25 to 64	51.4%	53.4%	53.8%
Age 65 and Older	12.6%	12.4%	12.4%
Percent of Population by Race			
White	83.0%	80.2%	81.0%
Black or African American	16.0%	16.4%	16.6%
American Indian and Alaska Native	0.2%	0.3%	0.3%
Asian and Pacific Islander	0.6%	1.0%	1.2%
Other	0.2%	2.1%	0.9%
Hispanic Population (Percent of Total Population)	0.7%	2.2%	2.4%
Place of Birth of Tennessee Residents			
Born in Tennessee	69.2%	64.7%	63.8%
Born in Another State	29.1%	31.9%	32.3%
Born Outside the United States	0.5%	0.6%	0.6%
Born in a Foreign Country	1.2%	2.8%	3.3%
Naturalized Citizen	0.5%	0.9%	1.1%
Not a Citizen	0.7%	1.9%	2.2%

Tennessee Population Growth 1990 to 2020²



Year	Population
1990	4,877,203
1995	5,326,936
2000	5,689,283
2005	5,958,085
2010	6,225,051
2015	6,484,281
2020	6,733,120

Education Characteristics

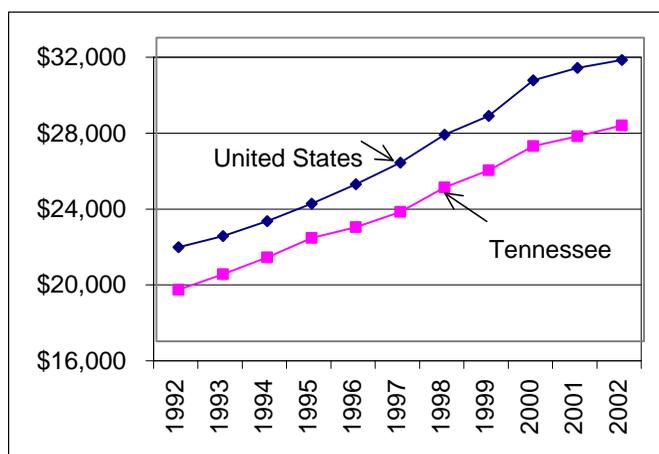
	1998-1999	1999-2000	2001-2002
Public School Enrollment and Expenditures³			
Total Number of Public Schools	1,589	1,611	1,646
Total K-12 Public School Average Daily Attendance (ADA)	838,425	842,733	848,508
Total Operating Expenditures (in thousands)	\$4,163,795	\$4,885,072	\$5,386,969
Public School Per Pupil Expenditures (based on ADA)	\$4,966	\$5,794	\$6,349

	1990	2000	2002
Educational Attainment⁴			
Less than 9th grade	16.0%	9.6%	8.0%
9th to 12th grade, no diploma	17.0%	14.5%	13.0%
High school graduate (includes equivalency)	30.0%	31.6%	33.1%
Some college, no degree	16.9%	20.0%	19.9%
Associate degree	4.2%	4.7%	5.0%
Bachelor's degree	10.5%	12.8%	13.9%
Graduate or professional degree	5.4%	6.8%	7.1%
Percent high school graduate or higher			
United States	75.2%	80.4%	82.6%
Tennessee	67.1%	75.9%	79.0%
Percent bachelor's degree or higher			
United States	20.3%	24.4%	25.9%
Tennessee	16.0%	19.6%	21.0%

Income and Poverty⁵

	1998	2000	2002
Tennessee's Per Capita Income as a Percent of the U. S.	89.6%	88.3%	88.8%
Tennessee's Rank in U. S. by Per Capita Income	35	34	36

Tennessee and United States Per Capita Income Growth⁵



Year	United States	Tennessee
1992	\$20,960	\$18,707
1993	\$21,539	\$19,541
1994	\$22,340	\$20,426
1995	\$23,255	\$21,449
1996	\$24,270	\$22,022
1997	\$25,412	\$22,814
1998	\$26,893	\$24,101
1999	\$27,880	\$25,014
2000	\$29,760	\$26,290
2001	\$30,413	\$26,808
2002	\$30,832	\$27,378

Pct. Change		
1992-2002	47.1%	46.4%

	<u>1989</u>	<u>1999</u>	<u>2001-2002</u>
Percent of Population Below Poverty ⁶			
United States	13.1%	12.4%	11.9%
Tennessee	15.7%	13.5%	14.5%

Employment ⁷

	<u>1998</u>	<u>2000</u>	<u>2002</u>
Civilian Labor Force	2,759,500	2,831,400	2,926,300
Employment	2,643,800	2,721,000	2,776,400
Unemployment	115,700	110,400	149,900
Unemployment Rate	4.2%	3.9%	5.1%

Non-Farm Employment - Percent by Industry

Goods Producing	23.7%	22.7%	20.5%
Natural Resources & Mining	0.2%	0.2%	0.2%
Construction	4.6%	4.6%	4.3%
Manufacturing	18.9%	17.9%	16.0%
Durable Goods	11.3%	11.0%	9.7%
Non-Durable Goods	7.6%	6.9%	6.3%
Service Providing	76.3%	77.3%	79.5%
Trade, Transportation, & Utilities	21.4%	21.5%	21.6%
Wholesale Trade	5.0%	4.8%	4.7%
Retail Trade	11.6%	11.6%	11.7%
Transportation, Warehousing, & Utilities	4.8%	5.1%	5.2%
Information	1.9%	2.0%	2.0%
Financial Activities	5.2%	5.1%	5.2%
Professional & Business Services	10.2%	11.0%	11.5%
Educational & Health Services	10.3%	10.2%	11.2%
Leisure & Hospitality	8.5%	8.6%	8.9%
Other Services	4.2%	4.3%	3.8%
Government	14.6%	14.6%	15.4%
Federal	1.9%	2.0%	1.9%
State & Local	12.7%	12.7%	13.4%

Physical Characteristics⁸

Land Area	41,220 Square Miles
Highest Elevation (Clingmans Dome)	6,643 Feet

¹ Source: U. S. Bureau of the Census.

² Source: U. S. Bureau of the Census for 1990, 1995 and 2000; Tennessee Department of Health for 2005 through 2020.

³ Source: Tennessee Department of Education.

⁴ Source: U. S. Bureau of the Census.

⁵ Source: U. S. Bureau of Economic Analysis.

⁶ Source: U. S. Bureau of the Census. Poverty rate for 2001-2002 is a 2 year average.

⁷ Source: Tennessee Department of Labor and Work Force Development.

⁸ Source: Tennessee Statistical Abstract.

Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2004 - 2005

Since fiscal year 1979-80, federal aid to Tennessee excluding Food Stamps, Medicaid, and Temporary Assistance to Needy Families (TANF) grants, formerly Aid to Families with Dependent Children (AFDC), has declined from 27 cents of every dollar in the state budget to 22 cents in 2004-2005. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$631.6 million would be available in federal funds.

In constant (2004-2005) dollars, federal aid has increased by 87.8 percent, or \$1.6 billion, from 1979-80 to 2004-2005 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2004-2005) dollar trend in federal aid in the state budget since 1979-80 for all programs,

including transportation. Amounts for fiscal years 1979-80 through 2002-2003 are based on actual federal aid collections; amounts for 2003-2004 and 2004-2005 are based on estimates included in the recommended state budget.

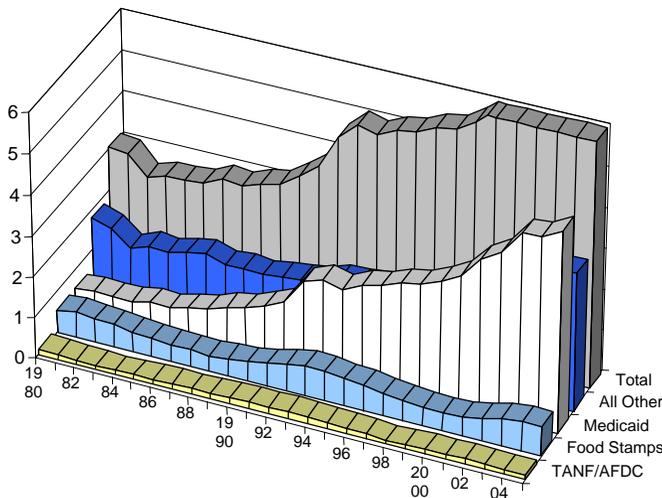
Current dollars have been converted to real (constant) dollars using the gross domestic product implicit price deflator, as reported by the University of Tennessee, Center for Business and Economic Research.

The decline in federal aid in the early 1980s (Figure 1) reflects the elimination of federal revenue sharing for states, new federal restrictions on eligibility for the TANF/AFDC program, and the consolidation of several federal grant programs into block grants at reduced levels.

From 1988-89 to 2004-2005, all the programs other than TANF/AFDC have had real growth. This reflects congressional decisions in the late 1980s to relax the earlier federal deficit-control statutes, which had restrained the growth of domestic discretionary programs during the 1980s.

As shown in Figure 1, not until 1992-93 does "all other" federal aid, excluding Medicaid, TANF/AFDC grants, and Food Stamps, return to the real-dollar level available to the state in 1979-80. Reflecting recent domestic initiatives, the growth rate for this federal aid

Figure 1
Federal Aid Trend in State Programs
FY 1980 through FY
in Billions of Constant (2004-2005)



category has begun to increase, in spite of federal budget-balancing efforts. In 2004-2005, “all other” federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a constant dollar increase compared with the year before. This is mainly because of an increase for education and social services programs.

Table 1
Comparison of Federal Aid in State Budget,
Actual 1979-80 through Estimated 2004-2005
In Millions of Constant (2004-2005) Dollars

	1979-80	1988-89	2004-2005	% Increase		
				1980-2005	Annual Average	
					1980-2005	1989-2005
Total Aid	\$ 3,040.4	\$ 3,144.5	\$ 9,139.0	200.6%	4.5%	6.9%
Medicaid	554.8	1,153.9	4,905.8	784.3%	9.1%	9.5%
Food Stamp Coupons	554.5	430.5	740.0	33.5%	1.2%	3.4%
TANF/AFDC	131.3	125.9	113.9	-13.3%	-0.6%	-0.6%
All Other	1,799.8	1,434.2	3,379.3	87.8%	2.6%	5.5%

Over the 25-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation. Although total federal aid has increased in constant dollars by 200.6 percent from 1979-80 to 2004-2005, the 784.3 percent real growth in the Medicaid program is accompanied by real growth of only 87.8 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar increase of 33.5 percent in federal aid for the Food Stamps program since 1979-80 is related to Tennessee’s recent increased caseload. The TANF/AFDC grants had a constant dollar decrease of 13.3 percent.

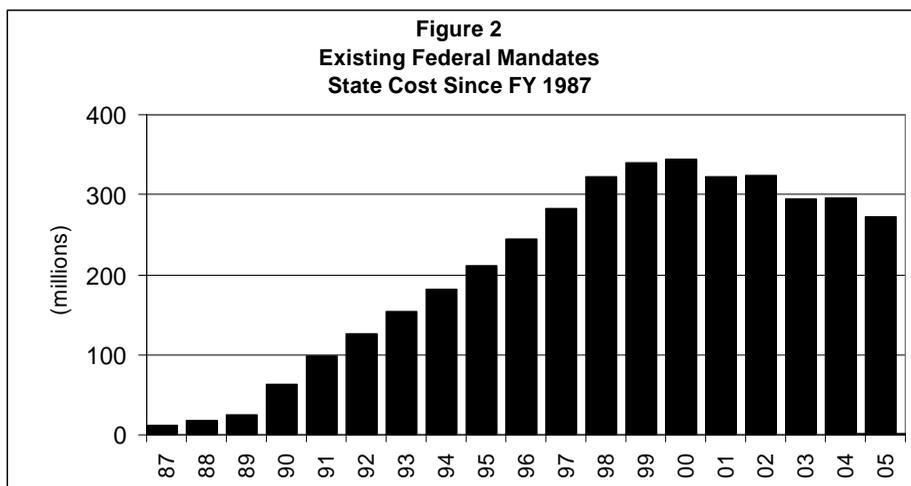
Over the 25-year period, as shown in Table 1, real growth for all federal aid to state programs has averaged 4.5 percent per year. This growth above the rate of inflation has

been led by the 9.1 percent annual-average real growth in the Medicaid program. TANF/AFDC decreased by 0.6 percent, while Food Stamps increased by 1.2 percent and all other federal aid increased by 2.6 percent on an annual-average basis.

Over the last 16 years of the period, from 1988-89 through 2004-2005, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 16-year annual-average rate of 6.9 percent. Real growth in this period has averaged 9.5 percent per year for Medicaid and 3.4 percent per year in Food Stamps, while

TANF/AFDC decreased by 0.6%. All other federal aid has grown at a real-dollar rate of 5.5 percent per year.

The high growth rates in the Medicaid program in the late 1980s and early 1990s had begun to moderate, possibly because of managed care and the economy. The federal Medicaid match rate will increase for the fifth year on October 1, 2004. The increase in the Medicaid match rate has resulted in decreased state cost for federal mandates since 2000 (Figure 2). Although the match rate has increased, Medicaid still accounts for 74 percent of the \$272.7 million state



mandate cost in the 2004-2005 fiscal year. The longer-term federal funding for mandated Medicaid expansions is accompanied by significant state costs, which are identified in detail below.

While federal aid as a percentage of discretionary program funding has declined in the state budget since 1979-80, federal legislation in the late 1980s and early 1990s has imposed increasingly costly mandates on state government.

By fiscal year 2004-2005, when existing federal mandates will have been fully implemented, provisions imposed since 1986-87 will cost \$272.7 million per year in recurring state appropriations from General Fund tax sources. The cumulative state cost in 2002-2003 was \$295.2 million and in 2003-2004 is \$295.4 million. Figure 2 illustrates the annual recurring state cost, from General Fund tax sources, of new federal mandates beginning in fiscal year 1986-87.

Costly major Medicaid mandates imposed since 1986-87 (Figure 3) are expanded services under the 1988 catastrophic health care law; coverage of children aged one through 18 under 1989 and 1990 laws; payment of premiums and deductibles for poor Medicare clients under a 1990 law; increase in the minimum wage for the nursing home program under a 1989 law; increases in the state Medicaid match rate as personal income increases; expansion of Medicaid eligibility under the 1988 federal welfare reform law; and drug purchasing reform under a 1990 law. Other Medicaid mandates include the 1988 nursing home reform initiative and the expansion of the child disability standard under the 1990 "Zebley" court ruling on supplemental security income regulations.

Major federal mandates imposed in other programs since fiscal year 1986-87 (Figure 4) include expansion of AFDC eligibility and support services under the 1988 federal welfare reform law; exemption from the sales tax of food stamps and supplemental foods for women, infants, and children; increases in the state match rate for the former AFDC program; intervention

services for handicapped infants and toddlers in the K-12 education system; extensions of federal social security and Medicare payroll taxes under the 1990 federal budget act; national standards under the commercial drivers license law; and other items of lesser fiscal impact affecting several state agencies.

For purposes of this analysis, the term "federal mandates" is limited to provisions of federal law or regulation which require state government implementation, without option to the state. This includes mandatory new programs, changes in existing federal programs, and increases in state financial participation in jointly funded federal programs resulting from decreases in federal match rates.

Figure 3
Medicaid Mandates
Annualized State Cost
FY 1987- FY 2005
Chart in Millions

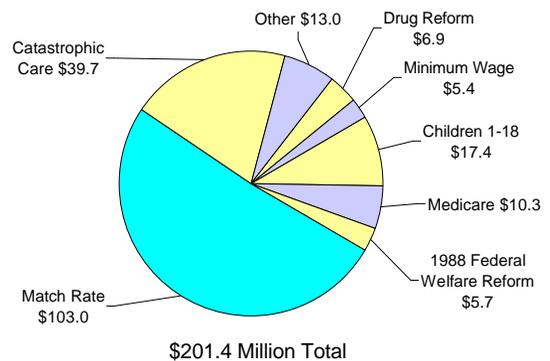
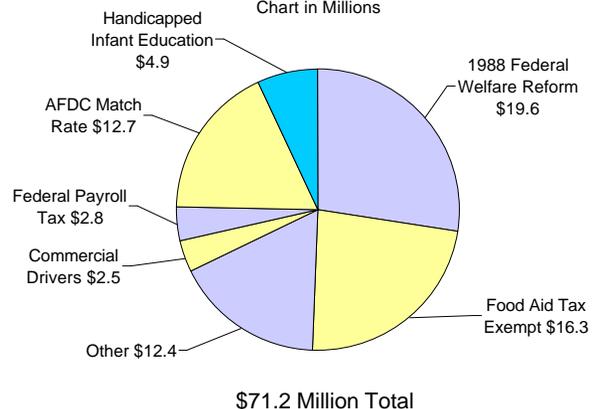


Figure 4
Other Federal Mandates
Annualized State Cost
FY 1987- FY 2005
Chart in Millions



State Revenues

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State Tax Revenues

Recommended Budget, Fiscal Year 2004-2005

The revenues necessary to finance state government are collected from a variety of sources. The primary source of funding for state expenditures is appropriation from general revenues. General revenues are proceeds from taxes, licenses, fees, fines, forfeitures, and other imposts laid specifically by law.

The revenue estimating process generally starts twelve months before a fiscal year begins. Revenue collections are tracked on a monthly basis, and this information, along with specific long-run forecasts of individual sectors of the economy, is used to form the basis for the next fiscal year's estimated revenue collections.

Preliminary estimates are supplied to the Department of Finance and Administration in mid-summer by the Department of Revenue and the University of Tennessee Center for Business and Economic Research. Tax estimates are recalculated in October and November and refined in December and January for inclusion in the Governor's Budget Document.

Sales tax estimates are based on estimated retail sales activity, which is provided by the Center for Business and Economic Research. Corporate excise tax estimates are made as late as possible in the year to take advantage of the latest available corporate profit forecasts for the nation and the October state tax returns filed with the Department of Revenue, which provide information useful in projecting quarterly estimated corporate tax payments through the next year.

Estimates for selective excise taxes are commonly based on long-run consumption trends for the selectively-taxed items: cigarettes, gasoline, beer, and alcoholic beverages. Long-run trend analysis is also used as a basis for projecting corporate excise and franchise tax collections and Tennessee Valley Authority in lieu of tax payments.

Motor vehicle fuel (primarily diesel fuel) taxes and motor vehicle registration fees are

estimated conservatively, given their sensitivity to business cycles (especially the truck-related components of both taxes).

The revenue estimating process in Tennessee incorporates the "Good Practices in Revenue Estimating" endorsed by the National Association of State Budget Officers and the Federation of Tax Administrators. This requires the use of national and state economic forecasts, development of an official revenue estimate, monitoring and monthly reporting on revenue collections, and revision of estimates when appropriate.

Tennessee Code Annotated (TCA) 9-4-5104, 5105, 5106, and 5202 specify the manner in which tax revenue estimates are prepared and transmitted to the General Assembly in the Budget Document.

The Commissioner of Finance and Administration prepares revenue estimates based on advice from economists, his own staff, the Department of Revenue, and the State Funding Board. The Funding Board, which is composed of the Governor, the Commissioner of Finance and Administration, the Comptroller, the State Treasurer, and the Secretary of State, is assisted in preparing its range of revenue growth estimates by economists from the state's universities, the executive director of the Fiscal Review Committee, and staff of the Department of Finance and Administration, Department of Revenue, and the Treasurer's Office. The Funding Board prepares and recommends a range of revenue growth estimates using the information provided by the economists, the executive director of the Fiscal Review Committee, and staff.

The Funding Board's review and recommendations concern only the taxes collected by the Department of Revenue. The growth estimates provide a basis for the tax revenue estimates that are used in preparing the budget. However, recommendation of revenue estimates in the Budget is the responsibility of the Governor and Commissioner of Finance and Administration.

The State Funding Board's most recent letter

notifying the Governor and the chairmen of the Senate and House Finance, Ways and Means committees of its revenue growth estimates is included in the following subsection entitled "State Funding Board, Range of Tax Revenue Estimates." This letter states the economic assumptions affecting the Funding Board's recommendations. A more detailed economic overview is presented in the "Budget Overview" section of the Budget Document.

The tax revenue estimates recommended in the Budget Document are shown in a following subsection entitled "Comparison Statement of State Revenues." These taxes include not only the taxes collected by the Department of Revenue (the major taxes), but also those collected and deposited to the General Fund by some other line agencies in conjunction with carrying out their programs. In the revenue estimate charts, the latter are shown by collecting agency and are subtotaled as "other state revenue."

Following the chart comparing taxes for the three fiscal years, three charts are included to show the collections distributed by fund. The funds on the distribution charts, for Budget Document presentation, are General Fund, Education (Trust) Fund, Highway (Transportation) Fund, Debt Service Fund, and Cities and Counties (Local Government Fund). (For information about the inclusion of certain Special Revenue Fund taxes and fees in the General Fund estimates, see the "Budget Overview" subsection entitled "Basis of Budgeting and Accounting.")

Following the four tax revenue estimate charts is a chart detailing the revenues of regulatory boards, with the collections and estimates listed by board. This is a supporting schedule to the "Comparison Statement of State Revenues" charts, on which single lines for regulatory board fees appear.

In addition to the general revenues detailed in this section, other revenues are collected by

departments, institutions, and agencies and are appropriated directly to them. These are called departmental revenues. In the Budget Document, these departmental revenues are estimated by program and are shown as federal revenue, other revenue (or, sometimes, current services and other revenue), and tuition and fees. The term "other revenue" includes interdepartmental revenue, current services revenue, non-governmental revenue, and revenue from cities and counties. These various departmental revenues consist of earnings and charges for goods and services; student tuition and fees in the higher education system; and donations, contributions, and grants-in-aid from the federal government, political subdivisions, foundations, corporations, and individuals. In a few cases, the other departmental revenues also include reserves from revolving funds or from the unencumbered balance and capital outlay (major maintenance) reserves, in instances in which specific legal authority to carry such funds forward exists. The departmental revenues are reflected in each department's budget as operating revenue.

Information presented in the subsection entitled "Revenue Sources and Basis of Apportionment" outlines the general tax revenues by collecting agency, along with TCA citations on the rate and source of the revenue and the basis of apportionment among funds and agencies, based on current law.

The tax revenue estimates proposed in this Budget are provided in the following subsection entitled "Comparison Statement of State Revenues." The distribution of taxes among the funds on these charts is as provided by law as it existed last year for 2002-2003 actual revenue and as it exists currently for 2003-2004 and 2004-2005 estimates.

Following that subsection is a subsection detailing so-called tax expenditures, which reports on major tax exemptions provided by law.

State Funding Board

Range of Tax Revenue Estimates



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

State Capitol
Nashville, Tennessee 37243-0260
(615) 741-2501

John G. Morgan
Comptroller

December 11, 2003

Memorandum

TO: The Honorable Phil Bredesen
Governor

The Honorable Douglas Henry, Jr., Chairman
Senate Finance, Ways, & Means Committee

The Honorable Tommy Head, Chairman
House Finance, Ways, & Means Committee

FROM: John Morgan, Comptroller of the Treasury *JM*
Riley Darnell, Secretary of State *RD*
Dale Sims, State Treasurer *Dale Sims jr*
M.D. Goetz, Jr., Commissioner
Department of Finance & Administration *MAG*

SUBJECT: Revenue Estimates for FY 2003-04 and FY 2004-05

The State Funding Board met on December 9 and 11, 2003 to hear presentations on, and to engage in discussions about, the State's near-term economic outlook for the fiscal years 2003-04 and 2004-05. During this meeting, the Board heard economic testimony from Dr. William Fox of The University of Tennessee, Dr. Albert DePrince of Middle Tennessee State University, Dr. John Gnuschke and Dr. Richard Evans of the University of Memphis, Mr. Jim White of the Fiscal Review Committee, and Mr. Reid Linn of the State Department of Revenue. The state tax revenue estimates provided by each of the presenters are summarized in the two attachments to this memorandum.

The Board is charged with responsibility to develop consensus ranges of state revenue growth. In doing so, the Board evaluates and interprets economic data and

revenue forecasts supplied by various economists as well as persons acquainted with the Tennessee revenue system. Since this is a revenue estimation process and **not** a budgeting process, the Board does not take into consideration the State's fiscal situation when developing its consensus ranges of revenue growth. Fiscal considerations properly belong with those who set the State's revenue estimates- the Administration that recommends appropriation levels based upon its assessment of revenue growth and the General Assembly that adopts a *de facto* revenue estimate through its final action on the appropriations bill. The Board wishes users of these consensus ranges to take notice that these ranges **are not** discounted in an attempt to add conservatism given the State's current fiscal condition.

The consensus is that the economy is experiencing a small, non-robust, jobless recovery and that a recovery without job growth cannot be strong. One presenter stated that recovery without jobs is like barbecue without sauce. Additionally, the presenters pointed out that the State sales tax collections by source indicate strong activity in building materials and vehicle sales, but cautioned that these levels may be indicative of prespending and such levels may not be sustained, given the underlying activities' sensitivity to interest rates. A downturn in vehicle sales and housing starts would impact both sales and privilege tax collections. Since consumers have continued to spend during this period, the traditional cyclical pickup from consumer activity is not expected, and the presenters looked to corporate activity as the potential source for future growth. The lack of clear job growth, along with the fall in exports and the decline in inventories, caused the presenters to be hesitant with their growth projections despite signs of recovery.

Caution was expressed with respect to franchise and excise tax collections due in part to changes in legislation enacted during the last two legislative sessions changing the tax rate and quarterly payment schedules. Although firms have made quarterly payments at 100% of estimate, the payments have not been required to be calculated at the increased rate. Evidence of real growth in franchise and excise taxes therefore is unlikely prior to the April 2004 payment due date. Additionally, caution was expressed with respect to the sales tax collections due to the tax rate increase and staggered implementation. Approximately \$32 million in sales tax collections is due to the rate increase and not due to underlying growth.

In terms of state revenue forecasts, all presenters believed the state would experience revenue growth during both fiscal years 2003-04 and 2004-05. For fiscal year 2003-04, estimates from four of the presenters for total revenue growth range from 4.43% to 5.0%. The fifth estimate of 7.18% was significantly higher due to certain assumptions embedded in his economic forecasting model regarding the franchise and excise taxes. For fiscal year 2004-05, the estimates for total revenue growth range from 2.58% to 4.36%.

Based on the testimony received and the Board discussions, the Board developed the following consensus revenue ranges. These estimates are expressed in ranges of

growth rates in State tax revenue collections. The following table summarizes these Estimates:

	FY 2003-04		FY 2004-05	
	Low	High	Low	High
Total State Taxes	4.25%	5.0%	3.6%	4.35%
General Fund Only	5.5%	6.25%	3.85%	4.6%

The Board believes these consensus revenue growth ranges to be reasonable and appropriate for use in state budgeting. As in past years, the Board intends to revisit these estimates prior to the General Assembly's final budget deliberations. Each of you will be advised of any revisions made by the Board at that time.

Additionally, the State Funding Board received a presentation from Mr. White regarding projected revenue ranges for net lottery proceeds for the remainder of the current fiscal year and for the next fiscal year. Tennessee Code Annotated Section 4-51-111(c) requires the State Funding Board to establish a projected revenue range for the net lottery proceeds for the remainder of the current fiscal year and for the succeeding fiscal year. Mr. White prefaced his comments with an advisory warning that there is no new information that was not available in May 2003 when his office prepared the fiscal note for the legislation. Therefore, any ranges suggested at this time could only be projections under potential scenarios rather than concrete estimates. Reference was made to the Comptroller's report dated February 2003 entitled Building Tennessee's Lottery: Considerations for Policymakers (available on line at www.comptroller.state.tn.us/orea/reports/lottery.pdf). This report noted the wide variety of experiences with state lotteries. State lottery revenues also can fluctuate greatly between years, months, and on a per capita basis.

The Board additionally heard from Ms. Rebecca Paul, the Chief Executive Officer and President, Mr. Steve Adams, the Chief Operating Officer and Mr. Andy Davis, Chief Financial and Technology Officer of the Tennessee Education Lottery Corporation. Legislation creating the Tennessee Education Lottery Corporation was signed into law by Governor Bredesen on June 11, 2003. The Lottery Board began meeting July 21, 2003. Ms. Paul was hired effective September 22, 2003. Twenty-nine employees have been hired. The Corporation recently has moved its offices to MetroCenter.

The comments of Ms. Paul and Mr. Adams confirmed the speculative nature of any ranges as to lottery revenues developed at this time. They agreed that by spring 2004 the following information should be available:

- Dates of game availability: (scratch-off or instant tickets February 10, 2004; on-line April 8, 2004; and multi-state games after July 1, 2004);
- Composition of the statewide retail distributions system (goal of 3,000 vendors across all regions);

- Infrastructure costs: to date, only 1/3 of the operational contracts have been let;
- Action on Federal legislation regulating internet gambling;
- Consideration by North Carolina and Alabama of lottery programs;
- Percentage of distribution of gross lottery proceeds to the State for the Lottery for Education Account, including Tennessee lottery scholarship program and the loans to local government units for education programs and purposes (the actual percentage will be determined by the Corporation); and
- Actual gross lottery revenue.

Due to the uncertainties surrounding the start-up of the lottery, the Board determined to defer establishment of the lottery ranges until the spring of 2004.

The projected ranges for the net lottery proceeds will be revisited at the time the State Funding Board considers revisions to the ranges of State revenue estimates prior to the adoption of the State's Appropriations Act. As indicated previously, each of you will be advised of any revisions made by the Board at that time.

Each of us stands ready to discuss this further at your convenience.

Attachment

cc. The Honorable John S. Wilder
The Honorable Jimmy Naifeh

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2003-2004**
(Accrual - Basis Estimates)

Schedule 1

2003-2004

DEPARTMENT OF REVENUE	2002-2003			2003-2004			2003-2004			2003-2004			2003-2004	
	ACTUAL COLLECTIONS	BUDGETED ESTIMATE	% CHANGE OVER 02-03 ACTUAL	DR. FOX ESTIMATE	% CHANGE OVER 02-03 ACTUAL	FISCAL REVIEW ESTIMATE	% CHANGE OVER 02-03 ACTUAL	DR. DePRINCE ESTIMATE	% CHANGE OVER 02-03 ACTUAL	DR. EVANS ESTIMATE	% CHANGE OVER 02-03 ACTUAL	REVENUE DEPT. ESTIMATE	% CHANGE OVER 02-03 ACTUAL	
Sales and use Tax	\$5,458,227,200	\$5,619,900,000	2.96%	\$5,740,000,000	5.16%	\$5,758,430,000	5.50%	\$5,807,400,000	6.40%	\$5,763,200,000	5.59%	\$5,709,300,000	4.60%	
Gasoline Tax	602,346,800	588,500,000	-2.30%	606,900,000	0.76%	598,082,000	-0.71%	600,100,000	-0.37%	607,100,000	0.79%	605,400,000	0.51%	
Motor Fuel Tax	155,409,200	165,100,000	6.24%	161,000,000	3.60%	160,556,000	3.31%	159,500,000	2.63%	170,400,000	9.65%	159,900,000	2.89%	
Gasoline Inspection Tax	60,858,000	64,700,000	6.31%	62,000,000	1.88%	62,472,000	2.65%	57,300,000	-5.85%	62,500,000	2.70%	61,700,000	1.38%	
Motor Vehicle Registration Tax	225,033,600	240,800,000	7.01%	237,000,000	5.32%	234,035,000	4.00%	237,400,000	5.50%	236,900,000	5.27%	234,300,000	4.12%	
Income Tax	115,852,100	121,100,000	4.53%	120,000,000	3.58%	135,000,000	16.53%	120,900,000	4.36%	117,000,000	0.99%	104,300,000	-9.97%	
Privilege Tax - Less Earmarked Portion	216,535,800	217,600,000	0.49%	240,000,000	10.84%	238,189,000	10.00%	227,100,000 (1)	4.88%	265,300,000 (1)	22.52%	237,800,000	9.82%	
Gross Receipts Tax - TVA	198,502,100	204,600,000	3.07%	202,400,000	1.96%	202,046,000	1.79%	204,600,000 **	3.07%	204,600,000 **	3.07%	202,400,000	1.96%	
Gross Receipts Tax - Other	18,134,400	19,400,000	6.98%	19,000,000	4.77%	18,316,000	1.00%	20,700,000	14.15%	18,000,000	-0.74%	16,400,000	-9.56%	
Beer Tax	17,063,700	18,000,000	5.49%	18,100,000	6.07%	17,422,000	2.10%	15,900,000 *	-6.82%	16,500,000	-3.30%	17,800,000	4.32%	
Alcoholic Beverage Tax	34,059,200	35,000,000	2.76%	36,000,000	5.70%	35,217,000	3.40%	31,000,000 *	-8.98%	35,300,000	3.64%	35,900,000	5.40%	
Franchise & Excise Taxes	1,071,699,700	1,068,600,000	-0.29%	1,060,000,000	-1.09%	1,068,600,000	-0.29%	1,050,300,000	-2.00%	1,203,600,000	12.31%	1,093,100,000	2.00%	
Inheritance and Estate Tax	83,148,300	75,000,000	-9.80%	85,000,000	2.23%	89,800,000	8.00%	66,400,000 *	-20.14%	104,900,000	26.16%	90,200,000	8.48%	
Tobacco Tax	114,716,900	118,400,000	3.21%	115,600,000	0.77%	119,306,000	4.00%	104,900,000 *	-8.56%	114,600,000	-0.10%	120,500,000	5.04%	
Motor Vehicle Title Fees	10,978,300	11,100,000	1.11%	11,100,000	1.11%	11,253,000	2.50%	9,800,000 *	-10.73%	11,400,000	3.84%	11,300,000	2.93%	
Mixed Drink Tax	38,422,300	39,900,000	3.85%	40,400,000	5.15%	40,113,000	4.40%	35,300,000 *	-8.13%	40,200,000	4.63%	39,900,000	3.85%	
Business Tax	40,481,500	96,400,000	138.13%	92,000,000	127.26%	95,000,000	134.68%	85,400,000 *	110.96%	97,000,000	139.62%	96,400,000	138.13%	
Severance Tax	1,073,900	1,100,000	2.43%	1,100,000	2.43%	1,100,000	2.43%	1,000,000 *	-6.88%	1,000,000	-6.88%	1,100,000	2.43%	
Coin Operated Amusement Tax	441,500	3,500,000	NA	3,500,000	NA	2,000,000	NA	3,100,000 *	NA	800,000	NA	400,000	NA	
TOTAL DEPARTMENT OF REVENUE	\$ 8,462,984,500	\$ 8,708,700,000	2.90%	\$ 8,851,100,000	4.59%	\$ 8,886,937,000	5.01%	\$ 8,838,100,000	4.43%	\$ 9,070,300,000	7.18%	\$ 8,838,100,000	4.43%	
GENERAL FUND ONLY (2)	\$ 6,962,149,700	\$ 7,222,800,000	3.74%	\$ 7,352,100,000	5.60%	\$ 7,395,637,000	6.23%	\$ 7,349,700,000	5.57%	\$ 7,561,400,000	8.61%	\$ 7,349,500,000	5.56%	
Budgeted Est. Compared to New Est. - Total				\$142,400,000		\$178,237,000		\$129,400,000		\$361,600,000		\$129,400,000		
Budgeted Est. Compared to New Est. - Gen. Fund				\$129,300,000		\$172,837,000		\$126,900,000		\$338,600,000		\$126,700,000		
SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	DR. DePRINCE	%	DR. EVANS	%	REVENUE DEPT.	%	
SALES AND USE TAX	\$ 5,458,227,200	\$ 5,619,900,000	2.96%	\$ 5,740,000,000	5.16%	\$ 5,758,430,000	5.50%	\$ 5,807,400,000	6.40%	\$ 5,763,200,000	5.59%	\$ 5,709,300,000	4.60%	
FRANCHISE AND EXCISE TAXES	1,071,699,700	1,068,600,000	-0.29%	1,060,000,000	-1.09%	1,068,600,000	-0.29%	1,050,300,000	-2.00%	1,203,600,000	12.31%	1,093,100,000	2.00%	
INCOME TAX	115,852,100	121,100,000	4.53%	120,000,000	3.58%	135,000,000	16.53%	120,900,000	4.36%	117,000,000	0.99%	104,300,000	-9.97%	
ALL OTHER TAXES	1,817,205,500	1,899,100,000	4.51%	1,931,100,000	6.27%	1,924,907,000	5.93%	1,980,400,000	8.98%	2,103,500,000	15.75%	1,931,400,000	6.28%	

(1) Privilege Tax estimates are reduced by \$32,000,000 in 2003-2004 for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2003-2004.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Evans based on anticipated TVA collections in 2003-2004.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2004-2005**

(Accrual - Basis Estimates)

2004-2005											
DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE		
	DR. FOX ESTIMATE	OVER 03-04 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 03-04 ESTIMATE	DR. DePRINCE ESTIMATE	OVER 03-04 ESTIMATE	DR. EVANS ESTIMATE	OVER 03-04 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 03-04 ESTIMATE	
Sales and use Tax	\$ 6,055,700,000	5.50%	\$ 6,017,559,000	4.50%	\$ 6,066,100,000	4.45%	\$ 5,946,800,000	3.19%	\$ 5,892,000,000	3.20%	
Gasoline Tax	617,600,000	1.76%	607,053,000	1.50%	606,000,000	0.98%	613,300,000	1.02%	611,400,000	0.99%	
Motor Fuel Tax	167,400,000	3.98%	164,570,000	2.50%	164,800,000	3.32%	175,300,000	2.88%	163,400,000	2.19%	
Gasoline Inspection Tax	63,700,000	2.74%	64,034,000	2.50%	59,100,000 *	3.14%	64,400,000	3.04%	62,900,000	1.94%	
Motor Vehicle Registration Tax	247,700,000	4.51%	242,928,000	3.80%	249,000,000	4.89%	247,300,000	4.39%	239,900,000	2.39%	
Income Tax	126,000,000	5.00%	141,750,000	5.00%	128,900,000	6.62%	136,400,000	16.58%	104,400,000	0.10%	
Privilege Tax - Less Earmarked Portion	244,800,000	2.00%	247,717,000	4.00%	241,600,000 (1)	6.38%	294,400,000 (1)	10.97%	243,200,000	2.27%	
Gross Receipts Tax - TVA	204,400,000	0.99%	206,087,000	2.00%	204,600,000 **	0.00%	204,600,000 **	0.00%	205,600,000	1.58%	
Gross Receipts Tax - Other	23,000,000	21.05%	18,957,000	3.50%	22,600,000	9.18%	24,400,000	35.56%	16,700,000	1.83%	
Beer Tax	18,500,000	2.21%	17,683,000	1.50%	16,400,000 *	3.14%	17,100,000	3.64%	18,400,000	3.37%	
Alcoholic Beverage Tax	36,900,000	2.50%	35,921,000	2.00%	32,000,000 *	3.23%	35,900,000	1.70%	36,600,000	1.95%	
Franchise & Excise Taxes	1,081,200,000	2.00%	1,079,286,000	1.00%	1,117,100,000	6.36%	1,298,000,000	7.84%	1,109,500,000	1.50%	
Inheritance and Estate Tax	75,000,000	-11.76%	89,800,000	0.00%	68,500,000 *	3.16%	99,900,000	-4.77%	90,000,000	-0.22%	
Tobacco Tax	115,000,000	-0.52%	120,499,000	1.00%	108,200,000 *	3.15%	114,700,000	0.09%	119,900,000	-0.50%	
Motor Vehicle Title Fees	11,300,000	1.80%	11,478,000	2.00%	10,100,000 *	3.06%	11,800,000	3.51%	11,400,000	0.88%	
Mixed Drink Tax	42,000,000	3.96%	41,517,000	3.50%	36,500,000 *	3.40%	42,400,000	5.47%	42,800,000	7.27%	
Business Tax	97,000,000	5.43%	97,850,000	3.00%	88,100,000 *	3.16%	97,500,000	0.52%	96,600,000	0.21%	
Severance Tax	1,100,000	0.00%	1,100,000	0.00%	1,000,000 *	0.00%	1,000,000	0.00%	1,000,000	-9.09%	
Coin Operated Amusement Tax	3,500,000	0.00%	2,000,000	0.00%	3,200,000 *	3.23%	800,000	NA	400,000	0.00%	
TOTAL DEPARTMENT OF REVENUE	\$ 9,231,800,000	4.30%	\$ 9,207,789,000	3.61%	\$ 9,223,800,000	4.36%	\$ 9,426,000,000	3.92%	\$ 9,066,100,000	2.58%	
GENERAL FUND ONLY (2)	\$ 7,691,300,000	4.61%	\$ 7,682,089,000	3.87%	\$ 7,701,800,000	4.79%	\$ 7,883,400,000	4.26%	\$ 7,553,300,000	2.77%	
Growth over FY 04 Budgeted Est. - Total	\$523,100,000		\$499,089,000		\$515,100,000		\$717,300,000		\$357,400,000		
Growth over FY 04 Budgeted Est. - Gen. Fund	\$468,500,000		\$459,289,000		\$479,000,000		\$660,600,000		\$330,500,000		
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	DR. DePRINCE	%	DR. EVANS	%	REVENUE DEPT.	%	
SALES AND USE TAX	\$ 6,055,700,000	5.50%	\$ 6,017,559,000	4.50%	\$ 6,066,100,000	4.45%	\$ 5,946,800,000	3.19%	\$ 5,892,000,000	3.20%	
FRANCHISE AND EXCISE TAXES	1,081,200,000	2.00%	1,079,286,000	1.00%	1,117,100,000	6.36%	1,298,000,000	7.84%	1,109,500,000	1.50%	
INCOME TAX	126,000,000	5.00%	141,750,000	5.00%	128,900,000	6.62%	136,400,000	16.58%	104,400,000	0.10%	
ALL OTHER TAXES	1,968,900,000	1.96%	1,969,194,000	2.30%	2,040,600,000	3.04%	2,181,200,000	3.69%	1,960,200,000	1.49%	

(1) Privilege Tax estimates are reduced by \$32,000,000 in 2004-2005 for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2003-2004.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Evans based on anticipated TVA collections in 2003-2004.

Revenue Sources and Basis of Apportionment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

SALES AND

USE TAX.....7.0% is the general rate that applies to the gross proceeds derived from the retail sale or use of tangible personal property and specific services. A one-half of one percent portion of the gross tax is earmarked solely for the Education Fund and the remaining 6.5% portion is distributed to various funds (TCA 67-6-201 through 67-6-205, 67-6-212, 67-6-213, and 67-6-220). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 6% for the retail sale of food and food ingredients for human consumption (TCA 67-6-228); 7% for merchandise purchased from any vending machine (TCA 67-6-102(24)(I)); 1.5% for energy fuels used by manufacturers and nurserymen, and 1% for water used by manufacturers (TCA 67-6-206(b) and 67-6-218); 3.5% for manufactured homes (TCA 67-6-216); 4.5% for aviation fuel (TCA 67-6-217); 3.75% for common carriers (TCA 67-6-219); 7.5% for interstate telecommunication services sold to businesses (TCA 67-6-221); 8.25% for cable and wireless TV services (if \$15 or more) and satellite TV services (TCA 67-6-226 and 67-6-227). An additional tax of 2.75% is imposed on the amount for single article sales of personal property in excess of \$1,600 but less than or equal to \$3,200 (TCA 67-6-202(a)).

General Fund.....100% of the 1.0% increase in the general rate enacted in 2002 and 100% of the additional tax imposed on single article sales. 29.3709% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less amounts paid to premier resorts (TCA 67-6-103). Also, amounts from cable and wireless television services in excess of \$15 but less than \$27.50 (TCA 67-6-103(f) and 67-6-226); and from interstate telecommunication services sold to businesses, plus 9%

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

from cities and counties (TCA 67-6-221(b)). In addition, amounts from the tax on interstate telecommunication services sold to businesses are earmarked to the Telecommunication Ad Valorem Tax Reduction Fund (TCA 67-6-221(b)).

Administration.....	0.3674% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).
Education Fund	65.0970% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357). Also, amounts from interstate telecommunication services sold to businesses (TCA 67-6-221(b)).
Highway Fund.....	An amount equivalent to tax collections from air, rail and barge fuel sales is earmarked for the Transportation Equity Trust Fund (TCA 67-6-103(b)).
Debt Service Fund.....	0.9185% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill).
Municipalities.....	4.2462% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the MTAS grant (0.95% of the amount from the preceding calculation during FY 1998-99 and 1.0% thereafter) to the University of Tennessee. Premier resorts receive 4.2462% of the tax collected by dealers within their boundaries. The collective amount distributed to premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). Also, one-half of the amount from cable and wireless television services in excess of \$27.50 is distributed in accordance with TCA 67-6-712 (Local Option) based on population (TCA 67-

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

6-103(f)); and one-half of the amount allocated to municipalities and counties from the tax on interstate telecommunication services sold to businesses is distributed based on population, less 9% to the general fund (TCA 67-6-221 (b)).

Counties..... One-half of the amount from cable and wireless television services in excess of \$27.50 is distributed in accordance with TCA 67-6-712 (Local Option) based on population (TCA 67-6-103(f)). Also, one-half of the amount allocated to municipalities and counties from the tax on interstate telecommunication services sold to businesses is distributed based on population, less 9% to the general fund (TCA 67-6-221(b)).

GASOLINE TAX.....\$20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).

General Fund..... Approximately 1.7% (TCA 67-3-901).

Highway Fund..... Approximately 60.2%, less an amount to the Debt Service Fund (TCA 67-3-901).

Debt Service Fund Amount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-901).

Cities Approximately 12.7% based on population (TCA 54-4-203 and 67-3-901).

Counties..... Approximately 25.4% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103 and 67-3-901).

MOTOR FUEL TAX\$17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules (TCA 67-3-202); a prepaid annual agricultural diesel tax ranging from \$56 to \$159, based on registered gross weight (TCA 67-3-1309); \$.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

3-1113); \$.14 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-1102); and an annual vehicle tax on liquefied gas users ranging from \$70 to \$114, based on registered gross vehicle weight (TCA 67-3-1106).

General Fund.....	Approximately 1.9% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).
Highway Fund.....	Approximately 71.9%, less an amount to the Debt Service Fund and less 2% to the General Fund (TCA 67-3-905, 67-3-908, and 67-3-901 (k)).
Debt Service Fund.....	Amount required from Highway Fund apportionment (TCA 9-9-105, 9-9-106, 67-3-905, and 67-3-908).
Cities	Approximately 8.7% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).
Counties.....	Approximately 17.5% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).

**GASOLINE
INSPECTION TAX
(SPECIAL
PETROLEUM
PRODUCTS AND
EXPORT TAX)**

\$.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$.004 per gallon for the environmental assurance fee (TCA 67-3-204 and 68-215-110); and an export fee of 1/20 of one cent on fuels subject to the special petroleum products tax (TCA 67-3-205).

General Fund.....	2% of the balance remaining after the local government apportionment of the \$.01 per gallon tax and the export fee (TCA 67-3-906). 100% of the environmental assurance fee is earmarked for the Petroleum Underground Storage Tank Fund (TCA 68-215-110).
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**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	98% of the balance remaining after the local government apportionment of the \$.01 per gallon tax and the export fee (TCA 67-3-906).
Debt Service Fund.....	Amount required from General Fund and Highway Fund apportionments (TCA 9-9-103).
Cities and Counties	A local government fund of \$12,017,000, of which 38.1% is for county roads and the remainder for city roads (less a \$120,000 grant to the University of Tennessee Center for Government Training) (TCA 67-3-906).

MOTOR VEHICLE

REGISTRATION.....Fees received from registration and licensing of motor vehicles. Rates are based on classification of vehicles (TCA 55-4-103 and 55-4-111 through 55-4-113, 55-4-115, 55-4-132 and Title 55, Chapter 4, Part 2).

General Fund.....	100% of the revenues from the 2002 increase in commercial vehicle registration fees. 2% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate to the General Fund (TCA 55-4-103), of which \$1 from non-freight registration is earmarked for police pay supplement (TCA 55-4-111); and after an additional \$2 per motorcycle plate to the General Fund, earmarked for the motorcycle rider safety fund (TCA 55-51-104); except for special license plates, for which all revenue above the expense incurred in designing, manufacturing and marketing such plates is allocated in the following manner: personalized plates - 100% to the Arts Commission (TCA 55-4-214); specialty earmarked plates - 50% to the nonprofit organization, state agency or fund earmarked and 40% to the Arts Commission (55-4-215); cultural plates - 80% to the Arts Commission (55-4-216). A \$1 registration and renewal fee is earmarked to the Dept. of Safety for funding a computerized titling and registration system; this fee is effective from July 1, 1999, to June
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**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

30, 2004; the proposed budget recommends extension of this fee for operation of the new system (TCA 55-4-132). All penalties and fines, except only 20% of overweight-truck fines, earmarked for administration (TCA 55-6-107); less an amount required for debt service (TCA 55-6-107 and 9-9-103). Also, an amount is allocated from the Highway Fund for motor vehicle registration plates in the annual appropriations bill (TCA 55-6-107(a)).

Highway Fund.....After allocation of 100% of the revenues from the 2002 commercial vehicle registration fee increase to the General Fund, 98% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate, an additional \$2 per motorcycle plate, and an amount sufficient to fund the cost of issuing motor vehicle registration plates to the General Fund; 10% of the revenue from specialty earmarked plates (55-4-215) and 20% of the revenue from cultural plates (55-4-216); and 80% of overweight-truck fines (TCA 55-6-107), and less an allocation to the General Fund for motor vehicle registration plates (TCA 55-6-107(a)).

Debt Service FundAmount required from General Fund and Highway Fund apportionment (TCA 55-6-107 and 9-9-103).

INCOME TAX.....6% on incomes from dividends on stocks or interest on certain bonds (TCA 67-2-102).

General Fund.....5/8 of revenue, plus 1/3 of the amount allocated to cities and counties, and an administrative expense of 10% of the first \$200,000 and 5% of the remainder of the tax (TCA 67-2-117 through 67-2-119).

Cities and Counties3/8 of revenue to the local governments by situs, less 1/3 to the General Fund, and less the General Fund administrative apportionment (TCA 67-2-117 and 67-2-119).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

PRIVILEGE TAX.....Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), drug treatment offenders (\$75), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1 per tire sold), occupational tax (\$400 on certain occupations), \$15 marriage license fee, plus a \$60.00 state share of a \$62.50 marriage license fee for couples not completing a premarital preparation course, a packaged automotive oil fee (2 cents per quart), and a 3% surcharge tax on certain rental motor vehicles, \$12 per bail bond, and a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault. The tire tax, automotive oil fee, and a portion of the litigation taxes are reported under the "Other State Revenue" section of the revenue statement (TCA 16-15-5007, 36-3-610, 36-6-413, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 16-22-109, 67-4-409, 67-4-411, 67-4-602, 40-24-107, 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804).

General Fund.....100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, and electronic fingerprint imaging systems for local law enforcement agencies. The State's 95% share of the sex offender tax is earmarked for treatment programs. Civil penalties from violation of domestic protection orders are earmarked for domestic

**Collecting Agency
and Classification****Rate and Source****Basis of Apportionment**

violence community education. Portions of the realty transfer tax designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund are allocated to the General Fund unless distributed in the annual appropriations act (TCA 16-15-5007, 36-3-616, 39-13-709, 40-24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported under the privilege tax and earmarked for criminal injuries compensation. These proceeds are explained below under the alcoholic beverage tax (TCA 40-24-107). From the automobile rental surcharge \$1.5 million is earmarked for the Department of Safety to train, equip, and pay members of the Tennessee highway patrol (TCA 67-4-1905). Of the bail bond tax 96% is earmarked for the civil legal representation of low-income persons as determined by the Tennessee Supreme Court and 4% is earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806). Revenue from the assault fines is directed to fund family violence shelters and services (TCA 39-13-101, 39-13-102, and 39-13-111). The \$60 marriage license fee is earmarked for various departments and organizations concerned with family and children's issues (TCA 36-6-413). Of the \$75 fee for violators of the 2003 Drug Court Treatment Act, \$5 is earmarked for the drug court treatment program resources fund, and \$70 is deposited into dedicated county funds for the creation and maintenance of drug court treatment programs (TCA 16-22-101 – 113).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

GROSS RECEIPTS

TAX.....Taxes levied principally on the gross receipts of certain types of businesses operating in the state. The main sources are taxes on the following portions of gross receipts: 1.9% on soft-drink bottlers, 3% on gross receipts over \$5,000 of intrastate water and electric power distribution companies, 1.5% on manufactured or natural gas intrastate distributors, 15% on mixing bars and clubs, and an in lieu of tax payment by the Tennessee Valley Authority (TVA) (TCA 67-4-402, 67-4-405, 67-4-406, 67-4-410, and 16 USC 831(l)); and a \$10 per year firearms dealer permit fee (TCA 39-17-1316).

General Fund.....79% of bottlers' gross receipts tax, plus 2% of gross highway litter amount from the Highway Fund, 100% of various other gross receipts taxes, and TVA in lieu of tax payments equal to FY 1977-78 payments and 48.5% of any TVA payments received by the state which exceed the amount paid in FY 1977-78, less approximately \$4.1 million distributed to local governments (TCA 67-3-2001(k), 67-9-101 through 67-9-103 and 67-4-402).

Highway Fund.....Approximately 21% of the bottlers' gross receipts tax is earmarked for litter control, less 2% to the general fund (TCA 67-3-2001(k) and 67-4-402).

Cities and Counties51.5% of the TVA in lieu of tax payments which exceed state receipts in FY 1977-78, of which approximately 65.9% is designated for counties based ½ on population and ½ on area, 28.3% for municipalities based on population, and 5.8% for impacted local areas affected by TVA construction, plus an amount equal to that received by local governments in FY 1977-78 (\$4.1 million). Portions of this share are earmarked for TACIR and, under some circumstances, for CTAS and additional funds for TACIR. With no local areas impacted

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

by TVA construction, the 5.8% impact fund is allocated as follows: 30% to CTAS, 40% to TACIR, and 30% is returned to be included in the amount distributed to cities and counties. Any funds remaining after other allocations provided for in TCA 67-9-102 are allocated to any regional development authorities created by TCA 64-5-201 that have acquired a former nuclear site from TVA (TCA 67-9-101 through 67-9-103).

BEER EXCISE

TAX.....Registration fees imposed on beer wholesalers (\$20) and manufacturers (\$40); a privilege tax of \$4.29 per 31-gallon barrel of beer manufactured or sold in the state (TCA 57-5-102 and 57-5-201).

General Fund.....67.1% of privilege tax collections, plus 9% of the amount allocated to cities and counties (4% of total tax earmarked for administration and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).

Highway Fund.....12.8% of privilege tax collections for litter control (TCA 57-5-201).

Counties.....10.05% of privilege tax collections, less 9% to the General Fund, distributed to counties equally (TCA 57-5-205).

Municipalities.....10.05% of privilege tax collections, less 9% to the General Fund, distributed to cities based on population (TCA 57-5-205).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**ALCOHOLIC
BEVERAGE**

TAX.....\$1.21 per gallon on wine and \$4.40 per gallon on spirits, plus license and permit fees for manufacturers (\$1,000), wholesalers (\$1,000), retailers (\$500), and their representatives (from \$2 to \$50) (TCA 57-3-202, 57-3-203, 57-3-204, and 57-3-302).

General Fund.....82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections less 4 cents per liter of spirit tax, plus 9% of the amount allocated to counties (TCA 57-3-306); 100% of fees from licenses and permits, earmarked up to 100% to the Alcoholic Beverage Commission for enforcement of liquor laws (TCA 57-3-111); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under the privilege tax collections (TCA 40-24-107): 100% from liquor seized by state agents (TCA 57-9-115); 50% from vehicles, aircraft, and boats seized by local law enforcement officers (TCA 57-9-201); and 50% from other contraband goods seized, less 15% retained for administration as departmental current services revenue by Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition, 10% of proceeds of sale of liquor seized by local officers is retained for administration as departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207 and 12-2-209).

Counties.....\$.04 per liter of spirit tax, earmarked for any county in which a distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less 9% to the General Fund and, less \$192,000 earmarked for CTAS. In counties of 250,000 or more population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).

Cities and Counties90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).

FRANCHISE TAX.....\$.25 on each \$100 of stock surplus or undivided profits of entities for the privilege of doing business within the state. The tax applies to business entities that enjoy some form of limited liability protection. The minimum tax is \$100 (TCA 67-4-2105 through 67-4-2109).

General Fund.....100% less an amount to the Debt Service Fund (TCA 67-4-2120).

Debt Service FundAmount required from General Fund apportionment (TCA 9-9-103).

EXCISE TAX.....6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006 and 67-4-2007).

General Fund.....Remaining balance after cities, counties, and Debt Service Fund distribution, plus 9% of the amount allocated to cities and counties (TCA 67-4-2017).

Debt Service FundAmount required from General Fund apportionment (TCA 9-9-103).

Cities and CountiesAn amount based on bank earnings is distributed based on situs in lieu of intangible personal property taxes on banks and banking associations, less a

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

9% distribution to the General Fund (TCA 67-4-2017).

**INHERITANCE,
ESTATE, AND
GIFT TAX**

Inheritance tax ranges from a rate of 5.5% on the value of net taxable estates of at least \$40,000 to a rate of \$30,200 plus 9.5% of the value in excess of \$440,000 for decedents dying after 1988. The exemption levels for beneficiaries are as follows: \$600,000 for decedents dying in 1990 through June 30, 1998, \$650,000 for those dying in 1999, \$675,000 for those dying in 2000 and 2001, and \$700,000 for those dying in 2002 and 2003. Gifts made after 1983 are taxed at rates ranging from 5.5% on gifts up to \$40,000 to 9.5% on the excess over \$440,000 for Class A beneficiaries and from 6.5% on gifts up to \$50,000 to 16% on the excess over \$200,000 for Class B beneficiaries. Gift tax exemptions of \$10,000 and \$5,000 are allowed for Class A and Class B donees, respectively (TCA 67-8-101 through 67-8-106, 67-8-204, 67-8-303, 67-8-314, and 67-8-316).

General Fund..... 100% (TCA 67-8-210 and 67-8-415).

TOBACCO TAX.....\$0.01 per cigarette or \$.20 per package of 20; \$.0005 per cigarette pack enforcement fee; 6.6% of wholesale price on other tobacco products; license fees of \$10 to \$20 per location for sellers, distributors, and handlers; proceeds of sale of confiscated goods; and penalties of \$100 to \$5,000 for violations of the Unfair Cigarette Sales Law (TCA 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, and 47-25-311).

General Fund..... Approximately 0.6% (includes 4% of taxes from tobacco other than cigarettes and of proceeds of sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration) (TCA 67-4-1025).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Education Fund Approximately 99.4% (includes 100% of cigarette taxes, earmarked for grades 1-12; 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco taxes and of proceeds of sale of confiscated tobacco products) (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

TITLE FEES \$5 certificate of title fee and other fees received for the issuance of motor vehicle titles and noting of liens (TCA 55-6-101).

General Fund Approximately 76% (including 50 cents of the \$5 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).

Debt Service Fund Approximately 24% (including a portion of \$1.50 of the \$5 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

TAX A license tax of \$300 to \$1,500 for the privilege of selling alcoholic beverages for consumption on premises and a 15% gross receipts tax on sales (TCA 57-4-301).

General Fund 100% of the privilege tax, plus 9% of the gross receipts tax allocated to cities and counties (TCA 57-4-306).

Education Fund 50% of the 15% gross receipts tax (TCA 57-4-306 and 49-3-357).

Cities and Counties 50% of the 15% gross receipts tax, less 9% to the General Fund, of which one half is earmarked for education and one half is distributed to the city or county based on situs (TCA 57-4-306).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

BUSINESS TAXTax imposed principally by local units of government on certain businesses, vocations, and operations carried on within this state (TCA 67-4-701, 67-4-704, 67-4-705, 67-4-707 through 67-4-709, and 67-4-714 through 67-4-717). 15% of all taxes collected locally are remitted to the state by the collector of each county and incorporated municipality. In addition, all increased revenues directly attributable to the 2002 amendments to TCA 67-4-709(b) are remitted to the state (TCA 67-4-724).

General Fund..... 100% (TCA 67-4-725).

**CRUDE OIL AND
NATURAL GAS**

SEVERANCE TAX3% of the sales price of severed oil and natural gas in the state (TCA 60-1-301).

General Fund..... 2/3 of tax (TCA 60-1-301).

Counties..... 1/3 of tax distributed to county of severance (TCA 60-1-301).

COAL

SEVERANCE TAX\$.20 per ton of severed coal in the state (TCA 67-7-103 and 67-7-104).

General Fund..... 11.73% of \$.20 gross tax and all penalties and interest (collected as departmental current services revenue of the Department of Revenue) (TCA 67-7-110).

Counties..... 88.27% of \$.20 gross tax distributed to county of severance, of which 50% is earmarked for highway and stream cleaning (TCA 67-7-110).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**COIN-OPERATED
AMUSEMENT**

MACHINE TAX.....\$10 per bona fide coin-operated amusement machine offered for commercial use and play by the public. Also, an annual master license tax is levied on machine owners ranging from \$500 to \$2,000 depending on the number of machines owned and offered for use (TCA 67-4-2204 and 67-4-2205).

General Fund..... 100%.

Department of Commerce and Insurance

**INSURANCE
COMPANY**

PREMIUM TAX.....Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 2% of the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. Companies writing fire insurance and lines of business having fire coverage as a part of the risk rate pay a 0.75% tax on that portion of the premium applicable to fire risk. All other companies pay a tax rate of 2.5% on gross premiums paid by or for policyholders residing in this state or on property located in the state, except captive insurance companies, which are taxed 1% on gross premiums collected or contracted for on policies or contracts of insurance covering property or risks in this state. Companies writing workers' compensation insurance are taxed 4.0% on gross premiums collected for workers' compensation insurance, plus a surcharge of 0.4% on gross premiums. Other revenues collected include regulatory fees for Limited Capital Credit Reinsurers, renewal fees for Fraternal Benefit Societies, insurance agent fees, examination fees, certificates of qualifications, broker fees, certificates of authority fees, utilization review fees, and other miscellaneous fees

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

(TCA 56-4-101, 56-4-106, 56-4-203, 56-4-205, 56-4-206, 56-4-208, 56-4-218, and other provisions of Title 56, Chapter 4, Part 2; Title 56, Chapter 6, Part 1; 56-13-128; 56-21-111; 56-24-104; 56-25-1603; 56-32-224, and 56-51-152).

General Fund..... 100%.

WORKERS'

COMPENSATION4% on gross premiums collected plus a 0.4% surcharge on said premiums which is earmarked for administration of the Tennessee Occupational Safety and Health Act (TCA 50-6-401 and 56-4-207).

General Fund..... 100% (TCA 8-22-118).

HEALTH CLUBS'

CERTIFICATES OF

REGISTRATION.....Fees for issuance of certificates of authority (TCA 47-18-302).

General Fund..... 100%.

911 EMERGENCY

COMMUNICATIONS

FUNDMonthly fee of \$1.00 charged to every commercial mobile radio service (cellular phone) provider's customers. Collected funds are distributed to the State's emergency communications districts to support 911 service and 911 location technology deployment. Commercial mobile radio service providers may retain 3% of the fees collected for administrative expenses (TCA 7-86-108 and 7-86-303).

General Fund..... 100% (earmarked for the 911 Emergency Communications Fund) (TCA 7-86-108).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Financial Institutions

FINANCIAL

INSTITUTIONS.....Annual banking fee received from state chartered banks on a pro rata basis based on assets, not to exceed the annualized fee that a state bank would pay if it were a national bank of equivalent asset size, except that banks are required to pay a minimum of \$5,000 (TCA 45-1-118).

General Fund.....100% (earmarked for the Department of Financial Institutions (TCA 45-1-118 (d)(1)).

Wildlife Resources Agency

WILDLIFE

RESOURCESFees received from the sale of hunting and fishing licenses, stamp tax on shells, permits, metallic cartridges, fines, private lake operations, and minnow dealers (TCA 70-2-201 through 70-2-222 and 70-3-101).

General Fund.....100% (earmarked exclusively for Wildlife Resources Agency) (TCA 70-1-401).

BOATING SAFETY.....Fees received for the registration of propelled vessels for a one-, two-, or three-year period; and a portion of the tax on marine fuel (TCA 67-10-207 and 67-3-2001(g)).

General Fund.....100% (earmarked for administration of the Boating Safety Program) (TCA 67-3-2001(g), 69-10-207, and 69-10-208).

Department of Agriculture

AGRICULTURAL

REGULATORY

FUNDFees from plant and insect pest control industry license, registration, certification, and charter applications and from sample analyses, civil penalties, and damages (TCA 43-1-701, 703, and 704).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....100% (earmarked for Regulatory Services Programs) (TCA 43-1-701 through 43-1-703).

FERTILIZER

INSPECTIONFee based on \$.20 per ton for all commercial fertilizer (TCA 43-11-106).

General Fund..... 100%.

FEED

INSPECTIONFee based on \$.10 per ton for all commercial feeds (TCA 44-6-109).

General Fund.....100% (earmarked for administrative expenses) (TCA 43-1-104).

**RETAIL FOOD
STORE**

**INSPECTION ACT
OF 1986**Fee based on types of food sold and seating capacity (TCA 53-8-214).

General Fund..... 100%.

**TENNESSEE
STATE PUBLIC
LIVESTOCK**

MARKET BOARDFee based on charter application (TCA 44-12-111).

General Fund..... 100%.

DOG AND CAT

BREEDERS.....Fee based on type of facility and volume of animal transactions (TCA 44-17-104(b)).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Regulatory Board Fees

REGULATORY

BOARDSFees received from the issuance of licenses and permits to engage in certain professions and from licensing of health care facilities (TCA 4-3-1011, 4-3-1304, 4-29-121, Titles 62 and 63, 68-11-216, 68-29-113, and other provisions of Title 68).

General Fund..... 100%.

Tennessee Regulatory Authority

PUBLIC

UTILITIES.....Fees for applicable holders of certificates of public convenience and necessity. Annual fees for inspection, control, and supervision of utilities and their rates. The amount of fee is based on gross receipts of each public utility in excess of \$5,000 annually as follows: \$3 per \$1,000 for the first \$1 million or less of such gross receipts over \$5,000. The fee for gross receipts over \$1 million is \$2 per \$1,000. Minimum fee, \$100. A \$10 annual registration fee for each privately owned public pay phone is also collected (TCA 65-4-301 through 65-4-308).

General Fund..... 100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

UNIVERSAL

SERVICE.....Fees as required by TRA to ensure the availability of affordable residential basic, local exchange telephone service. Fees are required by TRA as are necessary to support universal service and fund administration of the mechanism (TCA 65-5-207).

General Fund..... 100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307 and 64-4-120).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

TELEMARKETING.....A fee of \$500 per year for access to a database of telephone numbers of residential subscribers who object to receiving telephone solicitations. The Authority may also impose a civil penalty up to a maximum of \$2,000 for each violation of state laws regulating telephone solicitation (65-4-405).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-405).

**TDAP
DISTRIBUTION
PROGRAM**.....

Fees paid by telecommunication service providers with annual Tennessee intrastate gross receipts in excess of \$5,000,000. Fees assessed are not to exceed \$750,000 per year in total for the establishment of a fund for support of the telecommunications assistive device distribution program (TDAP). The reserve fund for the program shall not exceed \$1 million. (65-21-115).

General Fund.....100% (earmarked for TDAP program of Tennessee Regulatory Authority) (TCA 65-21-115).

**GAS SAFETY
INSPECTION**.....

Annual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on number of meters on a declining scale (\$.65 down to \$.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

MISCELLANEOUS.....A \$25.00 fee per party for filing a petition with the TRA, and fees for copies of records (TCA 65-2-103 and 65-1-212).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

Secretary of State

FEES AND TAXESAll fees and taxes received from notary certifications, foreign characters, trademarks, and miscellaneous (TCA 47-25-517).

General Fund.....100% (TCA 8-22-118).

Department of Safety

**CLASSIFIED
DRIVER**

LICENSESFees received from 5-year drivers license: Class A (Commercial) - \$40; Classes B and C (Commercial) - \$35; Class D (Operator) - \$17.50; duplicate licenses - \$6 first duplication, \$10 for second and subsequent duplications during a regular renewal cycle (TCA 55-50-323).

General Fund.....100%.

FINES AND

PENALTIES.....All fines, fees, and forfeitures received from motor vehicle violations (TCA 55-7-206, 55-10-303, 55-12-129, and 55-50-604).

General Fund.....100% (TCA 4-7-107).

MOTOR

CARRIERSAnnual fees for inspection, control, supervision and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113 and 65-15-116), and an \$8 annual fee per vehicle also is paid under the federal single state registration plan. Motor carriers

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

and contract haulers must pay a \$50 application fee (TCA 65-15-109).

General Fund.....100% (earmarked for Department of Safety) (TCA 55-4-113 and 65-15-116).

LITIGATION

PRIVILEGE TAX.....A portion of the privilege taxes on litigation, derived from a 25% share of 11.12% of the balance of litigation taxes which are not otherwise earmarked (TCA 67-4-602 and 67-4-606).

General Fund.....100% (earmarked for driver education in public schools and for highway safety promotion) (TCA 67-4-606).

State Treasurer

INTEREST

EARNED.....Interest received on state funds deposited in commercial banks and credited on a daily basis (TCA 9-4-106).

General Fund.....100%.

Department of Education

LITIGATION

PRIVILEGE TAX.....A portion of the privilege taxes on litigation, based on the first \$2 derived from criminal cases and from a 75% share of 11.12% of the balance of litigation taxes which are not otherwise earmarked (TCA 67-4-602 and 67-4-606).

Education Fund100% (earmarked for driver education in public schools) (TCA 67-4-602 and 67-4-606).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Health

**HOTEL, B & B,
RESTAURANT,
SWIMMING
POOL, AND CAMP
INSPECTION**

Fees from annual permits. Rates for hotels and restaurants, based on maximum occupancy, are a maximum fee of \$650 for hotels and \$360 for food service establishments. Other fees include: \$100 for auxiliary food service operations; \$30 for temporary food service establishments; a maximum fee of \$80 for child care center food service establishments based on the number of seats; a flat fee of \$140 is assessed for each bed and breakfast establishment; \$340 for each public swimming pool; a flat fee of \$80 for day and primitive camps, a maximum fee of \$150 for resident camps based on the number of sleepers, a maximum fee of \$310 for travel camps based on the number of sites; and \$80 for school service establishments (TCA 68-14-312 through 68-14-316, 68-14-511, 68-14-512, and 68-110-103).

General Fund..... 100%.

**TATTOO
PARLORS AND
ARTISTS**

Fees received from the issuance of certificates to operate a tattoo studio and from the issuance of licenses to engage in the practice of tattooing (TCA 62-38-202, 204, and 205).

General Fund..... 100%.

CHILD SAFETY.....Fines up to \$50 imposed for violations of the Child Passenger Restraint Law for children under 4 years of age; fines up to \$20 imposed for violation of mandatory use of a passenger restraint system for children ages 4 through 15. After July 1, 2004, the fine for violation of mandatory use of a passenger restraint system for children ages 4 through 15 increases to \$50 (TCA 55-9-602 and 40-35-111).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....For violations involving children under 4 years of age and children 4 through 15 years of age, 100% of the \$50 fine for any offense and 50% of the \$20 fine for a first offense (earmarked to child safety fund for formula distribution to participating hospitals for the purchase of child safety seats to lend or give to parents of newborns). The remaining 50% of the \$20 fine from a first offense is to be deposited without specific designated use. For second and subsequent violations, 100% of the \$20 fine is earmarked to the Child Safety Fund. After July 1, 2004, \$10 of the \$50 fine for a first offense is deposited without being designated for any specific purpose. The remaining \$40 is earmarked to the Child Safety Fund. For second and subsequent violations, 100% of the \$50 fine is earmarked to the Child Safety Fund (TCA 55-9-602).

NURSING HOME

CIVIL PENALTIESFees from civil penalties assessed on nursing homes, based upon the type of violation (TCA 68-11-811).

General Fund.....100% (earmarked for resident protection activities) (TCA 68-11-827).

**TRAUMATIC
BRAIN INJURY**

FUNDFines and penalties levied for motor vehicle violations in addition to those fines and penalties levied in Title 55 Chapters 8, 10, and 50 for speeding, reckless driving, driving with an invalid license and driving under the influence. (TCA 68-55-301 through 68-55-304).

General Fund.....100% (earmarked for the Traumatic Brain Injury Fund) (TCA 68-55-301 through 68-55-304).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

FUNDFees from environmental permits, inspections, damages, and fines (TCA Title 68, Chapter 131, Part 4, Chapter 201, Part 1; Chapter 202, Parts 2 and 5; Chapter 211, Part 1; Chapter 212, Part 1; and Chapter 221, Parts 4, 7, 9 and 10; and Title 69, Chapters 3 and 11).

General Fund.....100% (earmarked for the programs generating the fees) (TCA 68-203-101 and citations above).

**SOLID WASTE
MANAGEMENT**

FUNDFees from a surcharge on each ton of municipal solid waste received at all Class 1 solid waste disposal facilities or incinerators of \$.75 per ton through FY 2003-04. Also, the \$1 pre-disposal fee collected from retailers by the Department of Revenue for each new tire sold in Tennessee (TCA 68-211-835 and 67-4-1603).

General Fund.....100% (earmarked for the Solid Waste Assistance Program) (TCA 68-211-835).

**DRYCLEANER
ENVIRONMENTAL
RESPONSE FUND**.....

Various fees from drycleaning facilities, including annual site registration fees of up to \$1,500, annual wholesale distributor registration fees of \$5,500 per in-state facility, and drycleaning solvent surcharges of \$10 per gallon of non-aqueous solvent and \$1 per gallon of light non-aqueous solvent purchased by a drycleaner (TCA 68-217-105 through 68-217-106).

General Fund.....100% (earmarked for the Drycleaners Environmental Response Program) (TCA 68-217-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

OIL AND GAS

REGULATION.....Application fees of \$150 for oil and gas well permits, \$25 for natural gas well price determinations, and \$10 for mineral test hole permits (TCA 60-1-103, 105, and 505).

General Fund.....100% (earmarked for administrative expenses) (TCA 60-1-103, 105, and 505).

AUTOMOTIVE

OIL FEE.....Two cents per quart fee on the sale of packaged automotive oil, less a distributor handling deduction of 2%, up to \$50 per report. This fee is collected from the distributors by the Department of Revenue (TCA 68-211-1006 and 68-211-1010).

General Fund.....100% (earmarked for the Used Oil Collection Program) (TCA 68-211-1004 and 1005).

Nursing Home Tax

NURSING HOME

TAX.....Annual tax assessed at \$2,225 per licensed nursing home bed excluding those certified as ICF/MR beds (TCA 68-11-216(d)(1) through (12)).

General Fund.....100%.

**INTERMEDIATE
CARE FACILITIES
FOR THE
MENTALLY
RETARDED
(ICF/MR) GROSS**

RECEIPTS TAX.....A six percent (6%) monthly gross receipts tax on revenue generated from ICF/MR certified beds (TCA 68-11-830(d)(2)(B)).

General Fund.....100% (TCA 68-11-830(d)(5)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Transportation

RAILROADS.....Annual fees for inspection, control,
and supervision of the business,
service, and safety of railroads. Fees
figured at \$.04 per 1,000 ton miles.
Minimum fee, \$100 (TCA 65-3-201).
DOT collects these fees as
miscellaneous revenue.

Transportation Fund.....100% (earmarked for Department of
Transportation) (TCA 65-3-202).

Comparison Statement of State Revenues

**Actual and Estimated
July 1, 2002 – June 30, 2005**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2002 - June 30, 2005

SOURCE OF REVENUE

Department of Revenue	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005	Percent Required
Sales and Use Tax	\$5,458,227,200	\$5,770,900,000	\$6,059,400,000	5.00%
Gasoline Tax	602,346,800	606,900,000	617,600,000	1.76%
Motor Fuel Tax	155,409,200	161,000,000	167,400,000	3.98%
Gasoline Inspection Tax	60,858,000	62,000,000	63,700,000	2.74%
Motor Vehicle Registration Tax	225,033,600	237,000,000	247,700,000	4.51%
Income Tax	115,852,100	120,000,000	126,000,000	5.00%
Privilege Tax	216,535,800	240,000,000	244,800,000	2.00%
Gross Receipts Tax - TVA	198,502,100	202,700,000	204,700,000	0.99%
Gross Receipts Tax - Other	18,134,400	19,000,000	23,000,000	21.05%
Beer Tax	17,063,700	18,100,000	18,500,000	2.21%
Alcoholic Beverage Tax	34,059,200	36,000,000	36,900,000	2.50%
Franchise Tax	475,984,400	474,600,000	484,100,000	2.00%
Excise Tax	595,715,300	594,000,000	605,900,000	2.00%
Inheritance and Estate Tax	83,148,300	85,000,000	75,000,000	-11.76%
Tobacco Tax	114,716,900	115,600,000	115,000,000	-0.52%
Motor Vehicle Title Fees	10,978,300	11,100,000	11,300,000	1.80%
Mixed Drink Tax	38,422,300	40,400,000	42,000,000	3.96%
Business Tax	40,481,500	92,000,000	97,000,000	5.43%
Severance Tax	1,073,900	1,100,000	1,100,000	0.00%
Coin-operated Amusement Tax	441,500	1,300,000	1,300,000	0.00%
Total Department of Revenue	\$8,462,984,500	\$8,888,700,000	\$9,242,400,000	3.98%
Other State Revenue				
Department of Commerce and Insurance	\$350,339,200	\$355,600,000	\$360,900,000	1.49%
Department of Financial Institutions	5,091,200	5,800,000	6,600,000	13.79%
Wildlife Resources Agency	36,941,500	36,000,000	38,800,000	7.78%
Department of Agriculture	17,631,900	19,900,000	21,100,000	6.03%
Regulatory Board Fees	31,020,600	29,400,000	29,900,000	1.70%
Tennessee Regulatory Authority	7,223,300	7,000,000	7,100,000	1.43%
Secretary of State	16,800,200	16,800,000	16,800,000	0.00%
Department of Safety	36,776,000	36,900,000	36,900,000	0.00%
State Treasurer	8,814,700	10,000,000	10,000,000	0.00%
Department of Education	1,585,000	1,700,000	1,700,000	0.00%
Department of Health	11,273,400	12,300,000	13,000,000	5.69%
Dept. of Environment and Conservation	52,555,600	55,100,000	59,300,000	7.62%
Miscellaneous Revenue	26,476,500	20,100,000	20,100,000	0.00%
Nursing Home Tax	101,700,000	101,700,000	101,700,000	0.00%
Total Other State Revenue	\$704,229,100	\$708,300,000	\$723,900,000	2.20%
Total State Revenue	\$9,167,213,600	\$9,597,000,000	\$9,966,300,000	3.85%

**Distribution of Actual Revenue by Fund
Fiscal Year 2002-2003**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$5,458,227,200	\$2,050,057,200	\$3,160,075,600	\$0	\$39,069,100	\$209,025,300
Gasoline Tax	602,346,800	9,150,900	0	286,279,700	77,000,000	229,916,200
Motor Fuel Tax	155,409,200	2,946,500	0	111,709,700	0	40,753,000
Gasoline Inspection Tax	60,858,000	17,672,700	0	31,168,300	0	12,017,000
Motor Vehicle Registration Tax	225,033,600	39,829,800	238,400	184,965,400	0	0
Income Tax	115,852,100	76,870,900	0	0	0	38,981,200
Privilege Tax	216,535,800	216,423,000	112,800	0	0	0
Gross Receipts Tax - TVA	198,502,100	120,589,300	0	0	0	77,912,800
Gross Receipts Tax - Other	18,134,400	16,054,700	0	2,079,700	0	0
Beer Tax	17,063,700	11,428,700	0	2,140,800	0	3,494,200
Alcoholic Beverage Tax	34,059,200	28,171,800	0	0	0	5,887,400
Franchise Tax	475,984,400	457,984,400	0	0	18,000,000	0
Excise Tax	595,715,300	487,213,700	0	0	91,239,000	17,262,600
Inheritance and Estate Tax	83,148,300	83,148,300	0	0	0	0
Tobacco Tax	114,716,900	622,400	114,094,500	0	0	0
Motor Vehicle Title Fees	10,978,300	8,386,500	0	0	2,591,800	0
Mixed Drink Tax	38,422,300	1,208,600	18,612,500	0	0	18,601,200
Business Tax	40,481,500	40,481,500	0	0	0	0
Severance Tax	1,073,900	333,500	0	0	0	740,400
Coin-operated Amusement Tax	441,500	441,500	0	0	0	0
Total Department of Revenue	\$8,462,984,500	\$3,669,015,900	\$3,293,133,800	\$618,343,600	\$227,899,900	\$654,591,300
Other State Revenue						
Department of Commerce and Insurance	\$350,339,200	\$350,339,200	\$0	\$0	\$0	\$0
Department of Financial Institutions	5,091,200	5,091,200	0	0	0	0
Wildlife Resources Agency	36,941,500	36,941,500	0	0	0	0
Department of Agriculture	17,631,900	17,631,900	0	0	0	0
Regulatory Board Fees	31,020,600	31,020,600	0	0	0	0
Tennessee Regulatory Authority	7,223,300	7,223,300	0	0	0	0
Secretary of State	16,800,200	16,800,200	0	0	0	0
Department of Safety	36,776,000	36,776,000	0	0	0	0
State Treasurer	8,814,700	8,814,700	0	0	0	0
Department of Education	1,585,000	0	1,585,000	0	0	0
Department of Health	11,273,400	11,273,400	0	0	0	0
Dept. of Environment and Conservation	52,555,600	52,555,600	0	0	0	0
Miscellaneous Revenue	26,476,500	26,476,500	0	0	0	0
Nursing Home Tax	101,700,000	101,700,000	0	0	0	0
Total Other State Revenue	\$704,229,100	\$702,644,100	\$1,585,000	\$0	\$0	\$0
Total State Revenue	\$9,167,213,600	\$4,371,660,000	\$3,294,718,800	\$618,343,600	\$227,899,900	\$654,591,300

**Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2003-2004**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$5,770,900,000	\$2,137,400,000	\$3,383,000,000	\$0	\$41,900,000	\$208,600,000
Gasoline Tax	606,900,000	10,100,000	0	291,200,000	74,000,000	231,600,000
Motor Fuel Tax	161,000,000	3,000,000	0	115,700,000	0	42,300,000
Gasoline Inspection Tax	62,000,000	18,000,000	0	32,000,000	0	12,000,000
Motor Vehicle Registration Tax	237,000,000	46,100,000	200,000	190,700,000	0	0
Income Tax	120,000,000	92,400,000	0	0	0	27,600,000
Privilege Tax	240,000,000	240,000,000	0	0	0	0
Gross Receipts Tax - TVA	202,700,000	122,500,000	0	0	0	80,200,000
Gross Receipts Tax - Other	19,000,000	16,400,000	0	2,600,000	0	0
Beer Tax	18,100,000	13,000,000	0	2,100,000	0	3,000,000
Alcoholic Beverage Tax	36,000,000	30,900,000	0	0	0	5,100,000
Franchise Tax	474,600,000	456,600,000	0	0	18,000,000	0
Excise Tax	594,000,000	491,300,000	0	0	85,400,000	17,300,000
Inheritance and Estate Tax	85,000,000	85,000,000	0	0	0	0
Tobacco Tax	115,600,000	700,000	114,900,000	0	0	0
Motor Vehicle Title Fees	11,100,000	8,400,000	0	0	2,700,000	0
Mixed Drink Tax	40,400,000	3,100,000	19,500,000	0	0	17,800,000
Business Tax	92,000,000	92,000,000	0	0	0	0
Severance Tax	1,100,000	400,000	0	0	0	700,000
Coin-operated Amusement Tax	1,300,000	1,300,000	0	0	0	0
Total Department of Revenue	\$8,888,700,000	\$3,868,600,000	\$3,517,600,000	\$634,300,000	\$222,000,000	\$646,200,000
Other State Revenue						
Department of Commerce and Insurance	\$355,600,000	\$355,600,000	\$0	\$0	\$0	\$0
Department of Financial Institutions	5,800,000	5,800,000	0	0	0	0
Wildlife Resources Agency	36,000,000	36,000,000	0	0	0	0
Department of Agriculture	19,900,000	19,900,000	0	0	0	0
Regulatory Board Fees	29,400,000	29,400,000	0	0	0	0
Tennessee Regulatory Authority	7,000,000	7,000,000	0	0	0	0
Secretary of State	16,800,000	16,800,000	0	0	0	0
Department of Safety	36,900,000	36,900,000	0	0	0	0
State Treasurer	10,000,000	10,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	12,300,000	12,300,000	0	0	0	0
Dept. of Environment and Conservation	55,100,000	55,100,000	0	0	0	0
Miscellaneous Revenue	20,100,000	20,100,000	0	0	0	0
Nursing Home Tax	101,700,000	101,700,000	0	0	0	0
Total Other State Revenue	\$708,300,000	\$706,600,000	\$1,700,000	\$0	\$0	\$0
Total State Revenue	\$9,597,000,000	\$4,575,200,000	\$3,519,300,000	\$634,300,000	\$222,000,000	\$646,200,000

**Distribution of Estimated Revenue by Fund
Fiscal Year 2004-2005**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$6,059,400,000	\$2,244,200,000	\$3,552,100,000	\$0	\$44,000,000	\$219,100,000
Gasoline Tax	617,600,000	10,300,000	0	297,900,000	74,000,000	235,400,000
Motor Fuel Tax	167,400,000	3,200,000	0	120,300,000	0	43,900,000
Gasoline Inspection Tax	63,700,000	18,700,000	0	33,000,000	0	12,000,000
Motor Vehicle Registration Tax	247,700,000	53,500,000	300,000	193,900,000	0	0
Income Tax	126,000,000	97,000,000	0	0	0	29,000,000
Privilege Tax	244,800,000	244,800,000	0	0	0	0
Gross Receipts Tax - TVA	204,700,000	123,500,000	0	0	0	81,200,000
Gross Receipts Tax - Other	23,000,000	19,900,000	0	3,100,000	0	0
Beer Tax	18,500,000	13,300,000	0	2,200,000	0	3,000,000
Alcoholic Beverage Tax	36,900,000	31,700,000	0	0	0	5,200,000
Franchise Tax	484,100,000	466,100,000	0	0	18,000,000	0
Excise Tax	605,900,000	485,100,000	0	0	103,500,000	17,300,000
Inheritance and Estate Tax	75,000,000	75,000,000	0	0	0	0
Tobacco Tax	115,000,000	700,000	114,300,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	42,000,000	3,200,000	20,300,000	0	0	18,500,000
Business Tax	97,000,000	97,000,000	0	0	0	0
Severance Tax	1,100,000	400,000	0	0	0	700,000
Coin-operated Amusement Tax	1,300,000	1,300,000	0	0	0	0
Total Department of Revenue	\$9,242,400,000	\$3,997,500,000	\$3,687,000,000	\$650,400,000	\$242,200,000	\$665,300,000
Other State Revenue						
Department of Commerce and Insurance	\$360,900,000	\$360,900,000	\$0	\$0	\$0	\$0
Department of Financial Institutions	6,600,000	6,600,000	0	0	0	0
Wildlife Resources Agency	38,800,000	38,800,000	0	0	0	0
Department of Agriculture	21,100,000	21,100,000	0	0	0	0
Regulatory Board Fees	29,900,000	29,900,000	0	0	0	0
Tennessee Regulatory Authority	7,100,000	7,100,000	0	0	0	0
Secretary of State	16,800,000	16,800,000	0	0	0	0
Department of Safety	36,900,000	36,900,000	0	0	0	0
State Treasurer	10,000,000	10,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	13,000,000	13,000,000	0	0	0	0
Dept. of Environment and Conservation	59,300,000	59,300,000	0	0	0	0
Miscellaneous Revenue	20,100,000	20,100,000	0	0	0	0
Nursing Home Tax	101,700,000	101,700,000	0	0	0	0
Total Other State Revenue	\$723,900,000	\$722,200,000	\$1,700,000	\$0	\$0	\$0
Total State Revenue	\$9,966,300,000	\$4,719,700,000	\$3,688,700,000	\$650,400,000	\$242,200,000	\$665,300,000

**Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2002 - June 30, 2005
To Support Statement of State Revenues**

SOURCE OF REVENUE	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
State Board of Accountancy	\$826,600	\$809,900	\$809,900
State Board of Examiners for Architects & Engineers	1,312,100	1,311,500	1,311,500
Advisory Board on Professional Boxing and Racing	3,000	4,800	4,800
Athletic Commission	799,700	37,900	37,900
Tennessee Auctioneer Commission	257,500	273,200	309,400
Board of Barber Examiners	303,800	308,500	308,500
Tennessee Collection Service Board	239,600	242,000	242,000
Licensing Contractors, Home Improvement & Interior Designers	2,833,000	2,850,000	2,850,000
State Board of Cosmetology	1,127,400	1,198,200	1,198,200
Board of Funeral Directors and Embalmers	321,500	367,500	367,500
Board of Examiners for Land Surveyors	218,200	177,600	177,600
Board of Alarm Contractors	365,900	365,700	365,700
Private Investigators Licensing and Regulation	221,700	227,700	227,700
Private Protective Services Licensing & Regulation	930,900	976,800	976,800
Board of Polygraph Examiners	26,100	24,000	24,000
Real Estate Appraiser Commission	323,700	611,600	611,600
Registration of Geologists	73,100	84,800	84,800
Tennessee Real Estate Commission	3,766,000	1,300,000	1,300,000
Board of Pharmacy	1,279,300	1,056,900	1,235,900
Tennessee Motor Vehicle Commission	1,500,900	2,134,600	2,134,600
Employee Leasing	110,400	66,200	116,200
Reserves	0	0	0
Sub-Total: Commerce and Insurance	\$16,840,400	\$14,429,400	\$14,694,600
Board of Chiropractic Examiners	\$143,900	\$180,000	\$180,000
Board of Dentistry	830,700	730,500	832,900
Board of Dietitian / Nutritionist Examiners	61,500	54,100	54,100
Board of Dispensing Opticians	93,000	96,100	96,100
State Board of Electrolysis Examiners	14,600	19,100	19,100
Council for Licensing Hearing Instrument Specialists	30,900	29,000	29,000
Board of Social Worker Certification and Licensure	176,200	155,100	155,100
Board of Medical Examiners	2,194,800	2,048,700	2,101,200
Tennessee Medical Laboratory Board	664,500	669,200	669,200
Board of Nursing	4,085,300	3,899,400	3,899,400
Board of Examiners for Nursing Home Administrators	83,700	83,900	83,900
Board of Occupational and Physical Therapy Examiners	488,800	377,000	377,000
State Board of Athletic Trainers	31,600	25,100	25,100
Board of Respiratory Care	145,300	143,200	143,200
State Board of Optometry	130,700	131,100	131,100
Board of Osteopathic Examination	92,700	94,500	94,500
Board of Registration for Podiatry	47,100	47,500	47,500
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	126,500	143,300	143,300
Board of Examiners in Psychology	312,000	305,900	305,900
Board for Communication Disorders and Sciences	84,400	84,900	84,900
Committee on Physician Assistants	104,500	89,100	109,100
Massage Licensure Board	334,900	225,600	275,600
Board of Veterinary Medical Examiners	278,600	385,000	385,000
Alcohol and Drug Abuse Counselors	76,400	63,300	63,300
Board of Midwifery	2,000	4,500	4,500
Board of Acupuncture	23,900	5,000	5,000
Board of Clinical Perfusionists	62,300	14,000	14,000
Reserves	0	0	0
Sub-Total: Health	\$10,720,800	\$10,104,100	\$10,329,000
State Regulatory Fee	\$2,007,400	\$1,931,500	\$1,945,800
State Board of Law Examiners	652,800	652,000	651,900
Health Services Development Agency	799,200	1,283,000	1,278,700
Health Allocated Expenses	0	1,000,000	1,000,000
Total Regulatory Boards	\$31,020,600	\$29,400,000	\$29,900,000

Tax Expenditures

Recommended Budget, Fiscal Year 2004-2005

Tennessee Code Annotated 9-4-5115 requires the Department of Finance and Administration to report annually to the Finance, Ways and Means Committees of the House and the Senate on two areas of government finance: 1) tax exemptions; and 2) vendor compensation for the collection of the sales tax. This section of the Budget Document is intended to fulfill that statutory obligation.

Under the law, the tax expenditure report is required to "...identify all exemptions, to the extent that it is practical, and estimate the amount of revenue which would have been collected by the state in the fiscal year commencing on July 1 next succeeding such report had each exemption not existed." The report on vendor compensation is required to show the amount paid to vendors for the collection of the sales tax. No format or reporting period is specified. Both reports are to be made no later than February 1 of each year.

Vendors compensation for collection of the sales tax was repealed, effective July 1, 2000, by Public Acts of 2000, chapter 983. Thus, no report is made on vendors compensation.

Tax Exemptions

It is not possible to estimate the amount of revenue lost for each of the tax exemptions found in the Tennessee code. For example, since 1947, the list of non-profit institutions that are exempt from the sales tax has grown dramatically. Such institutions are allowed to

buy tangible goods and certain services tax free. Retailers and sellers require proof of exemption and keep records of exempt sales; but tax returns filed with the Department of Revenue do not show detailed statistics on exempt sales by type of exempt entity. Such data is only available in the records of the thousands of individual retailers and vendors who sell directly to the public. Therefore, the tax exemptions listed in the present report consist only of those that can be estimated with a reasonable degree of accuracy.

The fiscal impact of Tennessee's major tax exemptions is presented in tabular form in Tables 1-A and 1-B. Estimates of revenue loss are provided for FY 2004-2005. Table 1-A presents revenue foregone on services not currently taxed. These services represent activities that were not included in the original tax base. Table 1-B presents revenue foregone due to specific exemptions in the existing sales tax law. For each item in this table, the exemption is briefly described and the specific authorization of the Tennessee code is cited.

It is difficult to estimate the true cost of tax exemptions for two reasons. First, each exemption is considered separately, without regard to how it overlaps with other provisions of the tax code. Summing tax exemptions may result in double-counting in cases where exemptions overlap. Secondly, the estimates of revenue loss provided in the tables do not generally take into account the impact of a change in a particular tax provision on taxpayer behavior which impacts other taxes (the estimates do not reflect secondary or feedback effects).

Major Tax Exemptions from the Sales and Use Tax
Currently Untaxed Services: Table 1-A

<u>Service/Product Area Exempted</u>	<u>FY2004-2005 Estimated Loss</u>	
	<u>State</u>	<u>Local*</u>
Administrative & Support Services	\$257,800,000	\$88,300,000
Collection Agencies & Credit Bureaus	20,800,000	7,100,000
Employment Services	142,500,000	48,900,000
Investigation & Security Services	28,700,000	9,800,000
Mail, Document Reproduction, & Call Centers	15,300,000	5,200,000
Services to Buildings & Dwellings	50,500,000	17,300,000
Construction Services	\$629,600,000	\$215,900,000
Building, Developing, & General Contracting	218,500,000	74,900,000
Heavy Construction	55,600,000	19,100,000
Special Trade Contractors	355,500,000	121,900,000
Educational Services	\$15,000,000	\$5,200,000
Educational Services (for-profit)	13,100,000	4,500,000
Educational Services (non-profit)	1,900,000	700,000
Finance, Insurance, & Real Estate	\$202,200,000	\$69,300,000
Investment Banking, Securities Brokerage, & Related Services	71,200,000	24,400,000
Insurance Agents & Related Services	52,700,000	18,100,000
Real Estate Agents & Brokers	78,300,000	26,800,000
Health Care & Social Services (For-profit)	\$626,300,000	\$214,900,000
Physicians & Dentists	329,300,000	112,900,000
Other Health Practitioners	40,500,000	13,900,000
Hospitals	86,900,000	29,800,000
Nursing & Residential Care Facilities	98,800,000	33,900,000
Outpatient Care Centers	25,600,000	8,800,000
Medical and Diagnostic Laboratories	18,400,000	6,300,000
Other Selected Health Services	8,000,000	2,800,000
Social & Community Services	18,800,000	6,500,000
Health Care & Social Services (Non-profit)	\$376,000,000	\$128,800,000
Hospitals	313,800,000	107,600,000
Nursing & Residential Care Facilities	19,600,000	6,700,000
Outpatient Care Centers	21,400,000	7,300,000
Other Selected Health Services	4,200,000	1,400,000
Social & Community Services	17,000,000	5,800,000
Information Services	\$55,200,000	\$19,000,000
Data Processing Services	13,000,000	4,500,000
Movie Production & Sound Recording Studios	8,600,000	3,000,000
Cable T.V. Subscriptions (exempt amt.)	18,700,000	6,400,000
Newspaper Subscriptions & Sales	14,900,000	5,100,000
Media Advertising Sales	\$138,700,000	\$47,600,000
Newspaper Advertising	41,000,000	14,100,000
Radio Advertising	21,300,000	7,300,000
Television Advertising (Broadcast & Cable)	76,400,000	26,200,000
Personal Services	\$71,800,000	\$24,500,000
Coin-operated Laundry	2,700,000	900,000
Death Care Services	15,000,000	5,100,000
Diet & Weight Loss	2,100,000	700,000
Hair, Nail, & Skin Care Services	29,800,000	10,200,000
Non-Profit Amusement & Membership Organizations	22,200,000	7,600,000
Professional & Technical Services	\$508,700,000	\$174,400,000
Accounting, Tax Return Prep., & Payroll	65,500,000	22,400,000
Advertising & Public Relations	31,700,000	10,900,000
Architectural Services	20,900,000	7,200,000
Engineering Services	85,600,000	29,400,000
All Other Architectural, Engineering, & Related Services	11,100,000	3,800,000
Specialized Design Services	15,100,000	5,200,000
Computer Systems Design & Related Services	46,400,000	15,900,000
Legal Services (profit & non-profit)	121,100,000	41,500,000
Management, Scientific, & Technical Consulting	90,200,000	30,900,000
Scientific Research & Development (profit & non-profit)	21,100,000	7,200,000
Transportation Services	\$155,700,000	\$53,400,000
Couriers & Messengers	78,000,000	26,800,000
Truck Transportation (Local)	58,400,000	20,000,000
Other Transportation	19,300,000	6,600,000
Total Revenue Loss	\$3,037,000,000	\$1,041,300,000

*Local revenue loss calculated based on an average local sales tax rate of 2.40%.

Source: Tennessee Department of Revenue

**Major Tax Exemptions
From Current Tax Base: Table 1-B**

Tennessee Code Annotated	Tax Source and Description of the Exemption	FY 2004-2005 Estimated Loss	
		State	Local
	Sales and Use Tax	\$1,896,788,000	\$577,483,000
67-6-329(a)(1)	Gasoline	297,371,000	101,956,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	88,847,000	30,462,000
67-6-329(a)(1)	Gasoline/diesel fuel for agriculture	6,933,000	2,377,000
67-6-334	Energy fuels sold for residential use	223,935,000	76,778,000
67-6-206(b)(1)	Energy and water sales to manufacturers (reduced rate)	128,978,000	52,764,000
67-6-206(b)(3), (4), (5)	Energy and water sales to manuf. for direct processing	45,700,000	587,000
67-6-217	Aviation fuel (reduced rate)	14,518,000	13,937,000
67-6-312, 320	Prescription drugs, insulin, and syringes	342,674,000	117,488,000
67-6-319	Prescription drug samples	24,174,000	8,288,000
67-6-206(a)	Industrial machinery and equipment	158,569,000	19,690,000
67-6-207	Farm machinery and equipment	15,711,000	1,775,000
67-6-102(25)(E)(ii)	Packaging sold for resale or use	93,540,000	32,071,000
67-6-228	Food sales (reduced rate)	73,334,000	0
67-6-226	Cable television (exempt portion)	18,735,000	6,424,000
67-6-329(a)(12)	School books and lunches	17,895,000	6,136,000
67-6-329(a)(21)	Newspaper (periodical) sales	14,945,000	5,124,000
67-6-316	Prescription eyewear and optical goods	14,942,000	5,123,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	12,278,000	280,000
67-6-336	Used factory-manufactured structures	3,511,000	76,000
67-6-330(a)(4), (6)	Membership dues of civic organizations & business assoc.	10,338,000	3,544,000
67-6-530	Motion picture production	8,623,000	2,956,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	8,115,000	1,803,000
67-6-219	Sales to common carriers (reduced rate)	6,437,000	1,783,000
67-6-329(a)(3-10), (17)	Fertilizers, pesticides, seeds, and related items to nurseries	4,824,000	1,654,000
67-6-303	Motor vehicles sold to non-resident military personnel	4,042,000	364,000
67-6-309(a)	Film and transcription rentals	4,667,000	1,600,000
67-6-329(a)(16)	Magazines and books--printers' nexus	3,101,000	1,063,000
67-6-330(a)(17)	Physical fitness facility fees	2,867,000	983,000
67-6-102(13)(H)(i)	Certain warehouse equipment	2,184,000	397,000
	All other remaining exemptions	245,000,000	80,000,000
	Corporate Franchise and Excise Tax	\$89,400,000	\$0
67-4-2109	Jobs credit (Fran. & Exc.)	18,800,000	NA
56-4-217, 67-4-2009, 2109	Insurance comps. phaseout less premium credit (Fran. & Exc.)	16,700,000	NA
67-4-2009	Industrial machinery credit (Excise)	16,400,000	NA
67-4-2009, 2112	Hospital company tax credit (Fran. & Exc.)	9,000,000	NA
67-4-2108	Cap on value of inventories (Franchise)	14,300,000	NA
67-4-2012, 2111	Double-weighted sales factor (Fran. & Exc.)	14,200,000	NA
	Motor Vehicle Registration Fees	\$4,577,000	\$0
55-4-223	Government vehicles	1,117,000	NA
55-4-228(c)(1)	Enlisted members of the Tennessee National Guard	167,000	NA
55-4-235, 236, 237	Former POWS, medal of honor recipients, and disabled veterans	215,000	NA
55-4-113(7)	Special Zone Tags - Class 1	945,000	NA
55-4-113(7), 124	Special Zone Tags - Class 2	1,868,000	NA
55-21-103(a)(l)	Handicapped person fee	51,000	NA
55-21-103(b)(2)(a)(c)	Handicapped person placards	214,000	NA
	Gross Receipts Taxes	\$275,200,000	\$0
67-4-405(b)	Gas, Water, and Electric Companies - Gov't operations exempt	269,900,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	3,700,000	NA
67-4-405(f)	Gas, Water, and Electric Companies - \$5,000 exemption	100,000	NA
67-4-402	Bottlers - Franchise and excise tax credit	1,500,000	NA
	Miscellaneous Taxes	\$149,400,000	\$0
67-8-315(a)(6)	Standard Deduction on the inheritance and gift tax	81,200,000	NA
67-8-316(a)	Marital Deduction on the inheritance and gift tax	50,800,000	NA
67-2-104(a)	Standard Exemption on the income tax	17,100,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	300,000	NA
	Total Revenue Loss	\$2,415,365,000	\$577,483,000

Source: Tennessee Departments of Revenue and Safety

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**General Fund
Comparative Balance Sheet
June 30, 2002, and June 30, 2003**

	June 30, 2002	June 30, 2003
Assets		
Cash and Cash Equivalents	\$ 230,043,000	\$ 228,554,000
Receivables	954,258,000	1,453,654,000
Advances to Component Units	160,000	150,000
Due from Other Funds	229,691,000	246,981,000
Due from Component Units	39,492,000	2,412,000
Loans Receivable	120,000	50,000
Inventories	15,462,000	15,376,000
Prepayments	254,000	8,000
Total Assets	\$ 1,469,480,000	\$ 1,947,185,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 543,759,000	\$ 881,823,000
Due to Other Funds	12,285,000	13,157,000
Due to Component Units	8,682,000	9,380,000
Deferred Revenue	273,088,000	353,610,000
Deposits Payable	125,000	293,000
Total Liabilities	\$ 837,939,000	\$ 1,258,263,000
Fund Balance:		
Reserved for Related Assets	\$ 18,384,000	\$ 18,891,000
Reserved for Encumbrances and Contracts	6,426,000	7,274,000
Reserved for Continuing Appropriations	276,575,000	297,425,000
Reserved for Federal Contingent Liability	50,000,000	0
Reserved for Federal Essential Services Revenue	0	42,900,000
Reserved for Other Specific Purposes	84,215,000	119,829,000
Unreserved:		
Designated for Revenue Fluctuations	178,000,000	178,000,000
Designated for Future Requirements	11,300,000	0
Designated for Future Appropriations	0	21,000,000
Designated for Other Specific Purposes	6,488,000	3,403,000
Undesignated	153,000	200,000
Total Fund Balance	\$ 631,541,000	\$ 688,922,000
Total Liabilities and Fund Balance	\$ 1,469,480,000	\$ 1,947,185,000

**Education Fund
Comparative Balance Sheet
June 30, 2002, and June 30, 2003**

	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Assets		
Cash and Cash Equivalents	\$ 10,000	\$ 9,000
Receivables	408,928,000	452,422,000
Due from Other Funds	3,156,000	2,926,000
Due from Component Units	<u>349,000</u>	<u>963,000</u>
Total Assets	<u>\$ 412,443,000</u>	<u>\$ 456,320,000</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 103,757,000	\$ 105,769,000
Due to Other Funds	211,814,000	232,483,000
Due to Component Units	0	65,000
Deferred Revenue	<u>55,166,000</u>	<u>74,024,000</u>
Total Liabilities	<u>\$ 370,737,000</u>	<u>\$ 412,341,000</u>
Fund Balance:		
Reserved for Encumbrances and Contracts	\$ 548,000	\$ 0
Reserved for Continuing Appropriations	40,559,000	43,444,000
Reserved for Other Specific Purposes	<u>599,000</u>	<u>535,000</u>
Total Fund Balance	<u>\$ 41,706,000</u>	<u>\$ 43,979,000</u>
Total Liabilities and Fund Balance	<u>\$ 412,443,000</u>	<u>\$ 456,320,000</u>

**Highway Fund
Comparative Balance Sheet
June 30, 2002, and June 30, 2003**

	June 30, 2002	June 30, 2003
Assets		
Cash and Cash Equivalents	\$ 193,391,000	\$ 142,706,000
Receivables	141,676,000	150,564,000
Due from Other Funds	8,000	8,000
Deferred Charges	2,688,000	5,688,000
Inventories, at Cost	6,567,000	6,523,000
Total Assets	\$ 344,330,000	\$ 305,489,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 71,327,000	\$ 81,542,000
Due to Other Funds	1,255,000	1,234,000
Deferred Revenue	8,320,000	8,966,000
Deposits Payable	4,176,000	7,246,000
Total Liabilities	\$ 85,078,000	\$ 98,988,000
Fund Balances:		
Reserved for Related Assets	\$ 6,567,000	\$ 6,523,000
Reserved for Encumbrances and Contracts	137,800,000	14,946,000
Reserved for Other Specific Purposes	114,835,000	184,982,000
Unreserved: Designated for Highway Construction	50,000	50,000
Total Fund Balance	\$ 259,252,000	\$ 206,501,000
Total Liabilities and Fund Balance	\$ 344,330,000	\$ 305,489,000

Debt Management

Recommended Budget, Fiscal Year 2004-2005

The State Funding Board is empowered as the sole governing body over the issuance of general obligation debt for Tennessee. It was created by the 45th General Assembly through passage of Public Chapter 126, Public Acts of 1887, codified as Title 9, Chapter 9, Section 101 of the Tennessee Code. By statute, the state's full faith and credit, as well as specific tax revenues are pledged for the payment of principal and interest on state bonds. Additionally, the law covenants that such pledged revenues shall not be less than 150 percent of the amount necessary to service the state's outstanding debt and any debt proposed to be issued. Adequate safeguards are therefore embodied in law against the issuance of excessive debt, and the state's current and future debt service requirements are well below the established legal limits.

Over the years, Tennessee has consistently maintained a relatively low debt burden. This has been accomplished through the use of sound, prudent, and conservative debt management practices adopted by the executive and legislative branches of government, with concurrence of the State Funding Board. Such practices include funding a portion of the state's capital program with surplus cash, cancellation of bond authorizations in lieu of issuing debt, creating and maintaining a "Rainy Day Fund" to offset unanticipated revenue shortfalls, and the adoption of state statutes to control the issuance of excessive debt.

This consistent and conservative approach to the management of our debt earned the state AAA bond ratings from the nation's leading credit rating agencies. However, our inability to solve the structural deficit that exists in the state's tax system and the continuing use of non-recurring funds to fund recurring expenses caused the three rating agencies to downgrade the state's bond ratings in 2001. The current ratings on the state's general obligation debt are: Fitch AA for long term debt; Standard and Poor's Corporation AA with a negative outlook for long term debt

and Moody's Investor Service Aa2, also with a negative outlook for long term debt.

The state continues to enjoy a low debt burden, and access to the capital markets remains strong. The end result, however, of lower credit ratings will be higher interest rates and increased debt service expense as the state issues future debt in order to fund its capital needs.

During this fiscal year the state sold \$174 million in general obligation bonds. No additional general obligation bond sales are anticipated prior to the close of this fiscal period. As of June 30, 2003, Tennessee's total general obligation bonded indebtedness was \$900,334,000 excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The first session of the 103rd General Assembly approved new authorizations in the amount of \$210,503,000. Of this amount, institutional and building bonds accounted for \$136,503,000, and highway bonds \$74,000,000.

The practice of using the state's cash flow to finance road projects in lieu of issuing debt has been one of the key factors in Tennessee's ability to secure and retain very high bond ratings. Consistent with this long-standing policy, the Funding Board, cancelled \$74.0 million in highway bond authorizations and \$15.9 million in institutional and building construction bonds prior to the close of the last fiscal year.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$1,063,515,000, which includes \$641,500,000 in highway authorizations, \$281,984,000 in capital construction bonds, and \$86,930,000 in Facility Revolving Fund bonds.

The 2004-2005 proposed budget recommends the authorization of an additional \$159.0 million in highway construction bonds, \$269.4 million in institutional and building bonds, and \$25.3 million in Facility Revolving Fund Bonds.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2002 - June 30, 2005

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Unreserved Fund Balance, July 1	\$4,526,870.22	\$33,732,709.10	\$3,733,709.10
Tax Revenues:			
Sales Tax	39,069,112.37	41,900,000.00	44,000,000.00
Gasoline Tax	77,000,000.00	74,000,000.00	74,000,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	91,239,046.63	85,400,000.00	103,500,000.00
Motor Vehicle Title Fees	2,591,841.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 227,900,000.00	\$ 222,000,000.00	\$ 242,200,000.00
Other Revenues:			
Metro Sports Authority	\$3,987,726.66	\$3,986,000.00	\$3,981,000.00
State Parks	1,170,836.43	0	0
Ross Creek Landing State Park	0	103,000.00	323,000.00
State Veterans' Homes - Refinancing	0	75,000.00	341,000.00
Community Provider Pooled Loans	4,000,000.00	0	0
Premium on Bond Sales	0	5,840,000.00	0
Total Other Revenues	\$9,158,563.09	\$10,004,000.00	\$4,645,000.00
Total Available Funds	\$241,585,433.31	\$265,736,709.10	\$250,578,709.10
 Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ 6/30/2003	\$120,529,932.41	\$119,763,000.00	\$115,739,000.00
Bond Sale - August 2003	0	2,900,000.00	15,279,000.00
Community Provider Pooled Loans - Repaid	4,000,000.00	0	0
Capital Outlay Projects - Unissued Bonds (\$138,236,000)	0	0	13,824,000.00
Capital Outlay Projects - Proposed Bonds (\$269,400,000)	0	0	26,940,000.00
Short Term Interest	1,542,210.45	1,000,000.00	0
Debt Service Expense	650,295.32	1,000,000.00	1,000,000.00
Total Debt Service Appropriations	\$126,722,438.18	\$124,663,000.00	\$172,782,000.00
Transfers to Other Funds:			
Highway Fund	\$77,000,000.00	\$74,000,000.00	\$74,000,000.00
General Fund	0	53,500,000.00	0
Capital Projects Fund - Technology Centers	3,900,000.00	6,902,000.00	0
Capital Projects Fund - Other	230,286.03	2,690,000.00	0
Facilities Revolving Fund	0	248,000.00	0
Total Transfers to Other Funds	\$81,130,286.03	\$137,340,000.00	\$74,000,000.00
Total Appropriations and Transfers	\$207,852,724.21	\$262,003,000.00	\$246,782,000.00
Unreserved Fund Balance, June 30	\$33,732,709.10 *	\$3,733,709.10	\$3,796,709.10

* Note: Includes cash balance of \$30,488,563.72 and net taxes receivable of \$3,244,145.38.

**Debt Service Fund
Comparative Balance Sheet
June 30, 2002, and June 30, 2003**

	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Assets		
Cash and Cash Equivalents	\$ 90,000	\$ 30,489,000
Taxes Receivable	4,116,000	4,259,000
Loans Receivable	12,300,000	8,300,000
Restricted Cash and Cash Equivalents	<u>4,498,000</u>	<u>0</u>
Total Assets	<u>\$ 21,004,000</u>	<u>\$ 43,048,000</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 3,549,000	\$ 316,000
Deferred Revenue	<u>12,928,000</u>	<u>8,999,000</u>
Total Liabilities	<u>\$ 16,477,000</u>	<u>\$ 9,315,000</u>
 Fund Balance:		
Reserved for Debt Service	<u>\$ 4,527,000</u>	<u>\$ 33,733,000</u>
Total Fund Balance	<u>\$ 4,527,000</u>	<u>\$ 33,733,000</u>
 Total Liabilities and Fund Balance	 <u>\$ 21,004,000</u>	 <u>\$ 43,048,000</u>

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2002 - June 30, 2004

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004*</u>
1989	Chapter 525	Data Processing Equipment	\$6.00	\$0.00	\$0.00
1990	Chapter 947	Capital Outlay	230,286.03	0.00	0.00
1990	Chapter 947	Equipment Revolving Fund	41,001.05	0.00	0.00
1992	Chapter 930	Capital Outlay	40,886.37	40,886.37	40,886.37
1992	Chapter 930	Data Processing Equipment	8,742,400.00	0.00	0.00
1993	Chapter 533	Capital Outlay	335,209.87	335,209.87	335,209.87
1994	Chapter 850	Data Processing Equipment	13,800,000.00	13,800,000.00	13,800,000.00
1994	Chapter 1009	Higher Education - Technology Centers	4,981,284.00	3,320,855.00	3,320,855.00
1994	Chapter 1010	Capital Outlay	50,426.86	50,426.86	1.00
1994	Chapter 1010	Facilities Revolving Fund	632,340.15	632,340.15	590,763.97
1995	Chapter 457	Higher Education - Technology Centers	2,108,978.95	1,582,353.95	1,579,875.00
1995	Chapter 461	Capital Outlay	1,319,762.98	1,319,762.98	905,518.04
1995	Chapter 461	Higher Education - Technology Centers	36,535.66	36,535.66	0.00
1995	Chapter 461	Highway Construction	77,000,000.00	0.00	0.00
1996	Chapter 908	Higher Education - Technology Centers	12,852,844.90	11,139,898.90	8,277,285.32
1996	Chapter 945	State Parks	77,365.99	77,365.99	77,365.99
1996	Chapter 952	Capital Outlay	19,874,236.36	19,874,236.36	5,928,647.73
1996	Chapter 952	State Parks	91,720.23	91,720.23	0.00
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1996	Chapter 952	Highway Construction	148,000,000.00	148,000,000.00	74,000,000.00
1996	Chapter 990	Ross Creek Landing State Park	16,000,000.00	16,000,000.00	10,935,000.00
1997	Chapter 535	Capital Outlay	13,081,469.82	13,081,469.82	7,439,886.14
1997	Chapter 535	Highway Construction	75,000,000.00	75,000,000.00	75,000,000.00
1998	Chapter 831	Refund TLDA Community Provider Pooled Loans	23,300,000.00	19,300,000.00	19,300,000.00
1998	Chapter 1103	Capital Outlay	97,997,719.53	97,997,719.53	23,676,604.70
1998	Chapter 1103	Facilities Revolving Fund	1,263,038.80	1,263,038.80	730,370.56
1998	Chapter 1103	Highway Construction	90,000,000.00	90,000,000.00	90,000,000.00
1999	Chapter 401	Capital Outlay	17,161,923.38	17,161,923.38	5,024,159.27
1999	Chapter 401	Facilities Revolving Fund	11,687,732.30	11,687,732.30	10,233,492.21
1999	Chapter 401	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2000	Chapter 984	Capital Outlay	64,994,488.16	64,994,488.16	18,210,785.80
2000	Chapter 984	Prison Construction	21,000,000.00	13,352,159.00	3,205,318.00
2000	Chapter 984	Facilities Revolving Fund	15,528,502.81	15,528,502.81	13,515,158.80
2000	Chapter 984	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2001	Chapter 460	State Parks	2,000,000.00	2,000,000.00	2,000,000.00
2001	Chapter 462	Capital Outlay	19,300,000.00	19,300,000.00	14,296,140.56
2001	Chapter 462	Facilities Revolving Fund	61,300,000.00	61,300,000.00	58,760,962.48
2001	Chapter 462	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2002	Chapter 852	Higher Education - Geier Settlement	0.00	11,600,000.00	11,600,000.00
2002	Chapter 852	Capital Outlay	0.00	35,565,000.00	32,697,498.31
2002	Chapter 852	Facilities Revolving Fund	0.00	3,100,000.00	3,100,000.00
2002	Chapter 852	Highway Construction	0.00	77,000,000.00	77,000,000.00
2003	Chapter 296	Capital Outlay	0.00	16,503,000.00	16,503,000.00
2003	Chapter 296	Highway Construction	0.00	74,000,000.00	74,000,000.00
2003	Chapter 313	Motlow State - Smyrna Facility	0.00	2,000,000.00	2,000,000.00
2003	Chapter 313	State Veterans' Homes - Refinancing	0.00	18,000,000.00	13,930,000.00
2003	Chapter 338	Capital Outlay - Leased Facilities	0.00	100,000,000.00	100,000,000.00
Total Bonds Authorized and Unissued			<u>\$1,091,330,160.20</u>	<u>\$1,327,536,626.12</u>	<u>\$1,063,514,785.12</u>
Summary by Purpose:					
	Capital Outlay		\$293,535,139.09	\$465,425,012.06	\$281,984,037.10
	Facilities Revolving Fund		90,411,614.06	93,511,614.06	86,930,748.02
	Highway Construction		641,500,000.00	715,500,000.00	641,500,000.00
	Data Processing Equipment		42,542,406.00	33,800,000.00	33,800,000.00
	Equipment Revolving Fund		41,001.05	0.00	0.00
	Refund TLDA Loans		23,300,000.00	19,300,000.00	19,300,000.00
Total Bonds Authorized and Unissued			<u>\$1,091,330,160.20</u>	<u>\$1,327,536,626.12</u>	<u>\$1,063,514,785.12</u>

* This column reflects bonds sold and cancelled in the current fiscal year.

Bond Fund
Statement of Bonds Sold
July 1, 2001 - June 30, 2004

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2001 - June 30, 2002</u>	<u>July 1, 2003 - June 30, 2004*</u>
1992	Chapter 1028	State Parks	\$354,126.41	\$0.00
1993	Chapter 528	Golf Courses	16,480,000.00	0.00
1994	Chapter 1010	Capital Outlay Projects	28,352.79	50,425.86
1994	Chapter 1010	Facilities Revolving Fund	626,034.76	41,576.18
1995	Chapter 461	Capital Outlay Projects	531,507.17	414,244.94
1996	Chapter 945	State Parks	3,072,970.02	0.00
1996	Chapter 952	Capital Outlay Projects	19,334,166.50	13,640,588.63
1996	Chapter 952	State Parks	0.00	91,720.23
1996	Chapter 990	Ross Creek Landing State Park	0.00	5,065,000.00
1997	Chapter 535	Capital Outlay Projects	7,645,131.24	5,641,583.68
1998	Chapter 1103	Capital Outlay Projects	71,386,966.95	71,936,114.83
1998	Chapter 1103	Facilities Revolving Fund	7,217,290.92	532,668.24
1999	Chapter 401	Capital Outlay Projects	20,336,176.51	12,137,764.11
1999	Chapter 401	Facilities Revolving Fund	1,900,267.70	1,454,240.09
2000	Chapter 984	Capital Outlay Projects	11,295,511.84	46,783,702.36
2000	Chapter 984	Facilities Revolving Fund	3,871,497.19	1,764,972.20
2001	Chapter 462	Capital Outlay Projects	0.00	5,003,859.44
2001	Chapter 462	Facilities Revolving Fund	0.00	2,539,037.52
2002	Chapter 852	Capital Outlay Projects	0.00	2,867,501.69
2003	Chapter 313	State Veterans' Homes - Refinancing	0.00	4,070,000.00
Total Bonds Sold			<u>\$164,080,000.00</u>	<u>\$174,035,000.00</u>

*This column reflects bonds sold in the current fiscal year.

Note: No bonds sold in fiscal year 2002-2003.

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2001 - June 30, 2004

Year	Authority	Description	July 1, 2001 - June 30, 2002	July 1, 2002 - June 30, 2003	July 1, 2003 - June 30, 2004*
1990	Chapter 947	Capital Outlay	\$0.00	\$230,286.03	\$0.00
1993	Chapter 528	Golf Courses	20,000.00	0.00	0.00
1994	Chapter 1009	Higher Education-Technology Centers	1,660,429.00	1,660,429.00	0.00
1994	Chapter 1010	Highway Construction	80,000,000.00	0.00	0.00
1995	Chapter 457	Higher Education-Technology Centers	1,383,517.15	526,625.00	2,478.95
1995	Chapter 461	Higher Education-Technology Centers	243,107.85	0.00	36,535.66
1995	Chapter 461	Highway Construction	0.00	77,000,000.00	0.00
1996	Chapter 908	Higher Education-Technology Centers	412,946.00	1,712,946.00	2,862,613.58
1996	Chapter 952	Capital Outlay	0.00	0.00	305,000.00
1996	Chapter 952	Highway Construction	0.00	0.00	74,000,000.00
1998	Chapter 831	Community Provider Pooled Loans	1,500,000.00	4,000,000.00	0.00
1998	Chapter 1103	Capital Outlay	0.00	0.00	2,385,000.00
2000	Chapter 984	Prison Construction	0.00	7,647,841.00	10,146,841.00
2000	Chapter 984	Facilities Revolving Fund	0.00	0.00	248,371.81
Total Appropriations in Lieu of Issuing Bonds			<u>\$85,220,000.00</u>	<u>\$92,778,127.03</u>	<u>\$89,986,841.00</u>

*This column reflects bonds cancelled in the current fiscal year.

Note: Chapter 462, Public Acts of 2001, which passed on July 12, 2001, cancelled the following unissued bond authorizations:

1985	Chapter 425	Data Processing Equipment	\$8,340,394.00
1986	Chapter 875	Data Processing Equipment	\$504,653.00
1989	Chapter 525	Data Processing Equipment	\$356,027.00
1990	Chapter 947	Equipment Revolving Fund	\$485,998.95
1994	Chapter 850	State Parks	\$283,719.00
1994	Chapter 1010	Equipment Revolving Fund	\$2,500,000.00

Note: Chapter 296, Public Acts of 2003, cancelled the following unissued bond authorizations:

1989	Chapter 525	Data Processing Equipment	\$6.00
1990	Chapter 947	Equipment Revolving Fund	\$41,001.05
1992	Chapter 930	Data Processing Equipment	\$8,742,400.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2003

Outstanding Bonds			
Fiscal Year	Principal	Interest	Total
2003 - 2004	\$74,100,000	\$45,663,000	\$119,763,000
2004 - 2005	73,918,000	41,821,000	115,739,000
2005 - 2006	73,781,000	37,863,000	111,644,000
2006 - 2007	65,162,000	34,058,000	99,220,000
2007 - 2008	59,916,000	30,848,000	90,764,000
2008 - 2009	59,486,000	27,948,000	87,434,000
2009 - 2010	57,906,000	25,105,000	83,011,000
2010 - 2011	57,715,000	22,255,000	79,970,000
2011 - 2012	53,958,000	19,369,000	73,327,000
2012 - 2013	54,178,000	16,641,000	70,819,000
2013 - 2014	48,258,000	13,903,000	62,161,000
2014 - 2015	43,732,000	11,469,000	55,201,000
2015 - 2016	39,556,000	9,257,000	48,813,000
2016 - 2017	35,108,000	7,264,000	42,372,000
2017 - 2018	27,694,000	5,483,000	33,177,000
2018 - 2019	18,955,000	4,064,000	23,019,000
2019 - 2020	15,409,000	3,070,000	18,479,000
2020 - 2021	9,922,000	2,253,000	12,175,000
2021 - 2022	9,960,000	1,836,000	11,796,000
2022 - 2023	2,540,000	1,454,000	3,994,000
2023 - 2024	2,705,000	1,292,000	3,997,000
2024 - 2025	2,875,000	1,120,000	3,995,000
2025 - 2026	3,060,000	936,000	3,996,000
2026 - 2027	3,255,000	740,000	3,995,000
2027 - 2028	3,465,000	532,000	3,997,000
2028 - 2029	3,720,000	275,000	3,995,000
Total	\$900,334,000	\$366,519,000	\$1,266,853,000

NOTE: The statement excludes bonds for sewage treatment works, waterworks construction, and solid waste recovery facilities authorized prior to the enactment of Chapter 785, Public Acts of 1978, the Tennessee Local Development Authority Act. Debt service for these bonds is provided by local governments. The statement also excludes bonds for the State Facilities Revolving Fund. Debt service for the bonds is appropriated to the Facilities Revolving Fund and is expended in the fund. At June 30, 2003 outstanding principal was \$149,733,000 and interest was \$50,678,000.

Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2004 - 2005

The Capital Budget process begins with the receipt of departmental and agency capital maintenance and project requests. The various agencies and departments annually submit their capital requests in priority order to the Department of Finance and Administration, Division of Budget.

Upon receipt of the capital budget requests, three phases of review are undertaken by the Division of Capital Projects and Real Property Management and the Division of Budget. The initial phase allows for an understanding of the need by the Capital Projects and Real Property Management and Budget review teams. Phase two is built upon the technical requirements of the capital request, involving on-site visits by the review teams. The final phase involves financial review. The projects are analyzed for funding requirements and consistency with program goals and are reviewed within projected availability of funds in the budget for the requested fiscal year. If funds are deemed to be insufficient, individual projects may be deferred to be included in future budgets or rejected.

The Administration intends for the needs of departmental programs to be the impetus for all capital outlay requirements. Facilities funded through the capital budget process should support program and service requirements. Therefore, funding of projects is analyzed on priority of fiscal support for individual existing and new programs. The goal is to find the best mix of new capital outlay and facility maintenance in order to sustain and implement programs and services.

The management of facilities should be flexible enough to adjust to changing programs through renovation of existing assets. Attempts are made to minimize operational costs and future capital expenditures through better design and more flexible layouts, as has been done in the state's new prisons. In the event that a capital project creates the need for additional opera-

tional funding, those funds are considered in the development of the budget in the year when the new space is expected to be occupied.

Improvements to real property funded by public or private funds must be approved by the State Building Commission. The State Building Commission is composed of seven ex-officio members: the Governor, the Secretary of State, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Treasurer, and the Speakers of the Senate and House of Representatives. The State Building Commission, in addition to supervising improvements to real property, oversees leases by state agencies and the demolition of structures located on state property.

The capital items presented in this document as recommendations to the General Assembly consist of projects meeting the requirements and policy guidelines of the State Building Commission. The capital project recommendations are itemized by department.

Capital maintenance projects are defined as major, non-routine repairs, and replacements unrelated to new construction that cost \$100,000 or more. Maintenance projects costing less than this amount are considered to be major maintenance items that are addressed within the departments' operational budget major maintenance programs. Capital maintenance projects include items that appreciably extend the life of the facility, such as alterations to rectify code deficiencies, modifications to improve utility systems, repaving, roof repairs, exterior fencing and lighting, and repair projects that restore a facility to its former condition and do not result in changes in facility use. Funding for these projects is included in the amount allocated to the Department of Finance and Administration, and projects are selected for completion according to the review process outlined above.

Capital outlay projects are defined as those providing new facilities or materially extending

Capital Budget

the useful life and improving or changing the function of an existing facility. These projects include facility renovation, new construction, new utility or service systems, land with or without buildings, appurtenances, site improvements or permanent betterments, and initial equipment to furnish and operate a new or improved facility which require the assistance of a design professional or cost \$100,000 or more.

For fiscal year 2004-2005, the capital projects budget proposal recommends a total of \$391,640,000 divided between capital outlays and capital maintenance requests.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$109,860,000. A State bond authorization of \$67,640,000 and state appropriations of \$31,445,000 are requested. Federal and other sources equal the remainder of the total amount. These projects focus on maintaining current facilities, primarily through repair and renovation of roofing, mechanical, and electrical systems. Funding is also included to bring state facilities in line with federal standards for underground storage tanks, asbestos, and citizens with disabilities. The Tennessee Board of Regents and the University of Tennessee are also funded for modifications to assist in compliance with the Americans with Disabilities Act.

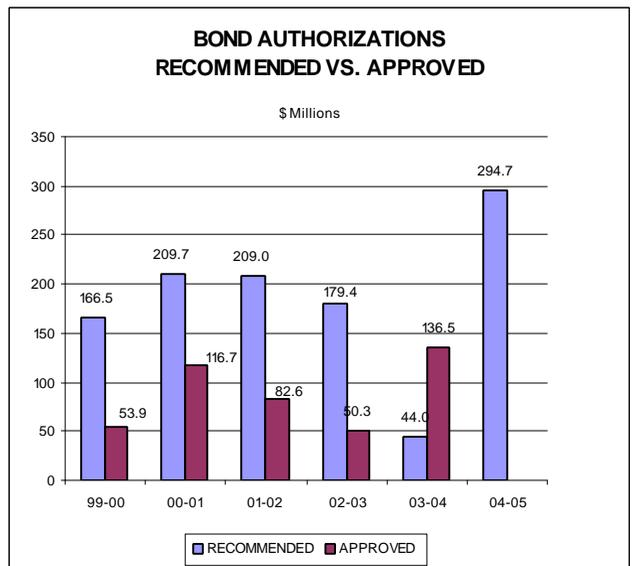
Capital Outlay — Capital outlays recommended for this fiscal year total \$281,780,000. Of this total, \$201,760,000 in bonds and \$13,755,000 in state appropriations are requested. Federal and other sources equal the remainder of the total amount.

Projects from dedicated sources of revenue are also recommended for the Department of Transportation and the Tennessee Wildlife Resources Agency.

Facilities Revolving Fund — Capital projects and maintenance for the Facilities Revolving Fund is recommended at a funding level of \$39,840,000. Facilities Revolving Fund capital projects are listed in the Facilities Revolving Fund section, which follows the Capital Projects section of this document.

Operating Costs — Included within this section is an estimate of the first year operating costs resulting from proposed new construction. Differences in operating costs can be the result of efficiencies from better designs and energy systems or program requirements. Renovation projects, which do not have an impact on operating efficiencies, are considered to be cost neutral. Only those projects which have been determined to have increases or decreases in operating costs from the current budget have been included in the schedule.

New Bond Authorizations — Capital maintenance, capital outlay, and Facilities Revolving Fund requests will require new bond authorizations totaling \$294,700,000. The chart below compares the bond authorizations recommended with those approved by the General Assembly during the past several years.



Proposed Capital Appropriations from Bonds, Current Funds and Other Revenues Fiscal Year 2004 - 2005

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
Maintenance	Statewide	10,240,000	0	0	0	10,240,000
New Prison (Unknown Location) Initial Planning	Statewide	2,430,000	0	0	0	2,430,000
Metro Detention Facility Grant	Davidson	10,275,000	10,275,000	0	0	0
New Prisons (includes Morgan Co.) Additional Funds	Areawide	38,850,000	0	31,000,000	7,850,000	0
		\$61,795,000	\$10,275,000	\$31,000,000	\$7,850,000	\$12,670,000
Education						
WTN Deaf School Rec & Therapy Building	Madison	2,290,000	590,000	1,700,000	0	0
		\$2,290,000	\$590,000	\$1,700,000	\$0	\$0
Environment and Conservation						
Paris Landing State Park Kitchen Upgrade	Henry	1,295,000	65,000	1,230,000	0	0
Rock Island State Park Sewer Plant Upgrade	White	885,000	35,000	850,000	0	0
		\$2,180,000	\$100,000	\$2,080,000	\$0	\$0
Finance and Administration						
ORNL New Biological Sciences Building	Anderson	7,600,000	600,000	7,000,000	0	0
Memphis Bio-Technology Project	Shelby	15,000,000	0	10,000,000	0	5,000,000
New Consolidated Training Facility Planning	Statewide	100,000	100,000	0	0	0
Tennessee Theater Local Community Grant	Knox	750,000	750,000	0	0	0
		\$23,450,000	\$1,450,000	\$17,000,000	\$0	\$5,000,000
Health						
NE Reg Health Office Tele-Conference Center	Washington	400,000	0	0	400,000	0
		\$400,000	\$0	\$0	\$400,000	\$0
Labor and Workforce Development						
New Murfreesboro Career Center	Rutherford	2,828,000	260,000	0	260,000	2,308,000
		\$2,828,000	\$260,000	\$0	\$260,000	\$2,308,000
Mental Health & Developmental Disabilities						
Western MHI New Facility	Hardeman	56,500,000	500,000	56,000,000	0	0
		\$56,500,000	\$500,000	\$56,000,000	\$0	\$0
Tennessee Board of Regents						
Maintenance	Statewide	38,480,000	11,835,000	26,645,000	0	0
SWTCC New Replacement Campus	Shelby	520,000	0	350,000	0	170,000
Lease Purchase and Replacement Fund	Systemwide	3,300,000	0	2,200,000	0	1,100,000
APSU McCord Building Renovation	Montgomery	7,270,000	580,000	4,270,000	0	2,420,000
ETSU Sherrod Renovation	Washington	11,000,000	0	7,330,000	0	3,670,000
WSCC College Center Renovation	Hamblen	4,650,000	0	3,100,000	0	1,550,000
PSTCC New Academic Building	Knox	6,750,000	0	4,500,000	0	2,250,000
DSCC LRC, Eller & Glover, Tipton Add & Renov	Dyer	10,280,000	0	6,850,000	0	3,430,000
NESTCC New Humanities Building	Sullivan	14,850,000	0	9,900,000	0	4,950,000
MSCC New Library & Associated Renovations	Moore	10,020,000	0	6,680,000	0	3,340,000
		\$107,120,000	\$12,415,000	\$71,825,000	\$0	\$22,880,000
University of Tennessee						
Maintenance	Statewide	38,475,000	4,190,000	34,025,000	0	260,000
UTK Glocker Business Building Renovation	Knox	30,400,000	0	20,270,000	0	10,130,000
UT Memphis College of Pharmacy Building	Shelby	42,800,000	0	28,530,000	0	14,270,000
		\$111,675,000	\$4,190,000	\$82,825,000	\$0	\$24,660,000

**Proposed Capital Appropriations from Bonds,
Current Funds and Other Revenues
Fiscal Year 2004 - 2005**

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Veterans Affairs						
Knoxville Veterans Cemetery Improvements	Knox	529,000	0	0	529,000	0
Memphis Veterans Cemetery Improvements	Shelby	81,000	0	0	81,000	0
Nashville Veterans Cemetery Improvements	Davidson	127,000	0	0	127,000	0
		\$737,000	\$0	\$0	\$737,000	\$0
Statewide Capital Maintenance						
Maintenance	Statewide	22,665,000	15,420,000	6,970,000	275,000	0
		\$22,665,000	\$15,420,000	\$6,970,000	\$275,000	\$0
Grand Total		\$391,640,000	\$45,200,000	\$269,400,000	\$9,522,000	\$67,518,000

NOTE:

1. These "Other" funds will be matching funds equal to 1/3 of the total project cost that will be raised locally by the Higher Education facility.

Capital Outlay Project Descriptions

Fiscal Year 2004 - 2005

	<u>Total Project Cost</u>
Correction	
Maintenance Funds to repair, maintain and update facilities.	\$10,240,000
New Prison (Location TBD) Initial Planning Construct new men's prison to house 2,316 inmates in conformance of revised prototype design. Total project is estimated to cost \$149,500,000. This request is to provide funding to initiate the planning process.	2,430,000
Metro Detention Facility Grant Provide a grant to Metropolitan Davidson County to construct a new dormitory wing and new medium security housing unit at the Metro Detention Facility.	10,275,000
New Prisons (includes Morgan Co.) Additional Funds Provide supplemental funding for prison expansion including the Morgan County site.	38,850,000
Total Correction	<u>\$61,795,000</u>
Education	
WTN School for the Deaf Recreation & Therapy Building The new recreation, physical therapy and all purpose addition will provide a space large enough to accommodate P.E. classes, physical therapy and various school functions. The facility will provide students a place for activities after school hours.	<u>\$2,290,000</u>
Environment and Conservation	
Paris Landing State Park Kitchen Upgrade This project will construct a new kitchen to replace the existing one. Over the past few years the park has had several additions such as 30 new inn rooms, a new conference center, 10 new cabins, etc., and the kitchen has never been expanded. The existing kitchen is 30 years old and too small to meet current daily demands.	\$1,295,000
Rock Island State Park Sewer Plant Upgrade This project is to provide for total replacement of the existing sewer plant, and upgrades to the sewer collection lines and pump stations that serve the park. Existing plant is old, outdated and cannot consistently meet the permit discharge limits set by Water Pollution Control.	885,000
Total Environment and Conservation	<u>\$2,180,000</u>
Finance and Administration	
Oak Ridge National Lab - New Biological Sciences Building	\$7,600,000

Capital Outlay Project Descriptions

Fiscal Year 2004 - 2005

Total
Project Cost

Funding for the construction of a new Joint Institute of Biological Sciences Facility at Oak Ridge. This is part of the joint research effort managed by UT/Battelle.

Memphis Bio-Technology Project

15,000,000

This project will provide State funds that will be matched locally to begin a new Bio-Technology initiative. Funding will be used for site preparation and construction of a research park that will provide programs to encourage youth careers in sciences. This is a joint effort of the Memphis BioTech Foundation, UT Memphis, the City of Memphis and Shelby County Government.

New Consolidated Training Facility Initial Planning

100,000

Initial planning associated with the development of a new consolidated training facility to replace the existing TLETA, Highway Patrol, and Correction Training facilities. Initial effort will concentrate on concept validation and correctional training needs.

Knoxville Tennessee Theater Grant

750,000

Local Community Grant to Knoxville for the preservation of the historic Tennessee Theater.

Total Finance and Administration

\$23,450,000

Health

NE Regional Health Office Tele-Conferencing Center

\$400,000

This project will renovate part of this facility's warehouse space into additional office and training room space. This will alleviate part of the chronic current shortage of space with no expansion capacity in the main building. The Department of Health has available federal grant monies that can be used for this project.

Labor and Workforce Development

New Murfreesboro Career Center

\$2,828,000

This building will headquarter the TN Career Center and be occupied by all mandated partners as specified in the 1998 Workforce Investment Act, the TN Labor Management Institute and programs by the TN Technology Center.

Capital Outlay Project Descriptions

Fiscal Year 2004 - 2005

	<u>Total Project Cost</u>
Mental Health and Developmental Disabilities	
New Western Mental Health Facility	<u>\$56,500,000</u>
Construct a new mental health facility to serve the needs of the West Tennessee Area.	
Tennessee Board of Regents	
Maintenance	\$38,480,000
Funds to repair, maintain and update facilities.	
Southwest TN Community College New Campus	520,000
Implement the recommendations of the master plan to replace the southeast campus and establish a central administration and possible classroom space for the new institution.	
Systemwide Lease and Replacement Fund	3,300,000
Acquire or construct properties to replace long-standing lease facilities, where the program demand is well-proven. The relocation of programs into existing institution facilities is not feasible, and suitable facilities are available for purchase.	
Austin Peay State University McCord Building Renovation	7,270,000
Renovate former science building for use as instructional, laboratory, and office space for Nursing, Agriculture, Geology, and Geography. Remove outdated lab equipment and provide updated equipment. Rectify HVAC and electrical system problems. Provide interior fiber-optic cabling and instructional equipment.	
East TN State University Sherrod Renovation	11,000,000
Renovate former library into classrooms, offices, support space for the college of Nursing and Arts and Sciences, University Press storage, and other miscellaneous functions.	
Walters St. Community College - College Center Renovation	4,650,000
Renovate former library and adjacent spaces on 2nd & 3rd floors for use as labs, instructional offices, administration, AV production, and meeting rooms. Abate asbestos in approximately 17,255 square feet of ceilings. Focus on HVAC, EMS, electrical, & accessibility. Add 517 parking spaces, finish west parking area and landscaping.	
Pellissippi STCC New Academic Building	6,750,000
Construct a new academic building including space for art, video production technology, faculty offices, student lounge, and general classrooms. Add student parking. Expand central plant building including warehouse, print shop, office space, new boiler, chiller and cooling tower. Renovate vacated art space.	

Capital Outlay Project Descriptions

Fiscal Year 2004 - 2005

	<u>Total Project Cost</u>
<p>Dyersburg SCC LRC, Eller, Glover, Tipton Add & Renovation Expand and renovate the library to improve utilization and add space. Renovate Eller Administration Building. Add visitor parking on west side of Eller. Renovate Glover Education Center. Add onto the Tipton County Center.</p>	10,280,000
<p>Northeast STCC New Humanities Building Construct a humanities building that includes classrooms, class labs, faculty offices, storage areas, and a 500 seat auditorium, to support programs in art, music, physical education, and performing arts. Demolish existing house on site and move portable classroom buildings. Add onto maintenance building. Landscape in accordance with Master Plan.</p>	14,850,000
<p>Motlow St. Community College New Library & Renovations Construct a new library in the heart of the main campus. Renovate existing space left vacant by the relocation of the library, addressing space needs identified in the institution's master plan, such as student services, testing, student organizations, general gatherings, instructional and administrative offices, writing, math, language labs, and other related work appropriate to campus needs.</p>	10,020,000
Total for the Tennessee Board of Regents System	<u>\$107,120,000</u>
University of Tennessee	
<p>Maintenance Funds to repair, maintain and update facilities.</p>	\$38,475,000
<p>UTK Glocker Business Building Renovation This project will renovate a portion of Glocker Business Building and provide new space for the College of Business undergraduate and graduate education programs. It will also provide space to consolidate the College's executive training programs. The space will include large and small classrooms, seminar rooms, training rooms, and the required support spaces. The facility will be provided with information technology appropriate for College of Business needs.</p>	30,400,000
<p>UT Memphis College of Pharmacy Building This project will provide a new facility to house the College of Pharmacy. It will contain research laboratories, faculty offices, and departmental administrative offices and support spaces required for the teaching, research, and public service activities of the Pharmacy College.</p>	42,800,000
Total for the University of Tennessee System	<u>\$111,675,000</u>

Capital Outlay Project Descriptions

Fiscal Year 2004 - 2005

	<u>Total Project Cost</u>
Veterans Affairs	
Knoxville Veterans Cemetery Improvements	\$529,000
100% federal funding is available for improvements at the Knoxville State Veterans Cemetery. These funds will be used for installation of a new Grave Locator System to allow visitors to locate a grave site after normal hours of operation, installation of air conditioning for the Committal Chapel to eliminate extreme summer heat conditions, and construction of a storage shed and a columbarium (pre-cast niches for cremation interments).	
Memphis Veterans Cemetery Improvements	81,000
100% federal funding is available for the Memphis State Veterans Cemetery to install a Grave Locator System. This system will allow visitors to locate a grave site after normal hours of operation.	
Nashville Veterans Cemetery Improvements	127,000
100% federal funding is available for the Nashville State Veterans Cemetery to install a Grave Locator System that will allow visitors to locate a grave site after normal hours of operation and air conditioning for the Committal Chapel.	
Total Veterans Affairs	<u>\$737,000</u>
Statewide Capital Maintenance	
Maintenance	<u>\$22,665,000</u>
Funds to repair, maintain and update general government facilities.	
GRAND TOTAL	<u><u>\$391,640,000</u></u>

Projects Funded from Dedicated Revenues Fiscal Year 2004 - 2005

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Morristown Hatchery Pond Liner Phase 2	Hamblen	137,000	0	0	102,750	34,250
Chickamauga WMA - Sugar Creek Fish Pond Addition	Meigs	25,000	0	0	18,750	6,250
Hiwassee WMA - Fish Rearing Pond Installation	Meigs	50,000	0	0	37,500	12,500
Normandy Hatchery - New Pond & Liner	Coffee	100,000	0	0	75,000	25,000
Springfield Hatchery - Fish Raceway Addition	Robertson	6,000	0	0	4,500	1,500
Old Hickory WMA - Tractor Shed Addition	Wilson	69,000	0	0	51,750	17,250
Wautaga River - Am. Limestone Access Improvements	Carter	20,000	0	0	15,000	5,000
Cherokee Lake - Kidwell Access Improvements	Hamblen	55,000	0	0	41,250	13,750
Chickamauga Lake - Garrison Blue Star Access	Rhea	75,000	0	0	56,250	18,750
Chickamauga Lake - Courtesy Pier Installation	Meigs	18,000	0	0	13,500	4,500
Yuchi Refuge - Waterfowl Refuge Development (note 1)	Rhea	430,000	0	0	380,000	50,000
Kentucky Lake - Courtesy Pier Installation	Areawide	54,000	0	0	40,500	13,500
Douglas Lake - Courtesy Pier Installation	Jefferson	35,000	0	0	26,250	8,750
Natchez Trace - Brown & Maple Lake Access Upgrade	Henderson	75,000	0	0	0	75,000
Total		\$1,149,000	\$0	\$0	\$863,000	\$286,000

Note 1 - The \$50,000 Other Funds associated with this project will come from a Ducks Unlimited donation.

Transportation

Region 3 Aeronautics Building Air Handler Upgrade	Davidson	95,000	0	0	0	95,000
Region 3 Aeronautics Building Seal Exterior Brick	Davidson	30,000	0	0	0	30,000
Region 3 Hangar Bay Roof Replacement	Davidson	100,000	0	0	0	100,000
Region 3 Hangar Bay Floor Paint and Re-sealing	Davidson	100,000	0	0	0	100,000
Region 3 Replace 6 County Maintenance Buildings	Areawide	1,420,000	0	0	0	1,420,000
Region 1 Maintenance Building & Shed Replacement	Greene	280,000	0	0	0	280,000
Region 4 Reroof 5 County Maintenance Buildings	Areawide	75,000	0	0	0	75,000
Region 1 Construct New Equipment Shed	Greene	100,000	0	0	0	100,000
Region 2 Construct New District 21 Maint Building	Hamilton	270,000	0	0	0	270,000
Region 3 Aerial Surveys Building Renovation	Davidson	450,000	0	0	0	450,000
Region 3 Region Complex Renovation Phase 1	Davidson	1,000,000	0	0	0	1,000,000
Region 3 New Maintenance HQs & Equipment Sheds	Davidson	300,000	0	0	0	300,000
Region 4 Construct 3 new Equipment Sheds	Areawide	200,000	0	0	0	200,000
Total		\$4,420,000	\$0	\$0	\$0	\$4,420,000

Grand Total		<u>\$5,569,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$863,000</u>	<u>\$4,706,000</u>
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Projected First Year Operating Costs for New Facilities Recommended as Projects for Fiscal Year 2004 - 2005

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM</u>	<u>ADDITIONAL PERSONNEL</u>
Education						
WTN Deaf School Recreation & Therapy Building	Bledsoe	35,000	0	35,000	0	0
		<u>\$35,000</u>	<u>\$0</u>	<u>\$35,000</u>	<u>\$0</u>	<u>0</u>
Labor and Work Force Development						
New Murfreesboro Career Center	Rutherford	46,100	25,800	20,300	0	0
		<u>\$46,100</u>	<u>\$25,800</u>	<u>\$20,300</u>	<u>\$0</u>	<u>0</u>
Mental Health & Developmental Disabilities						
New Western Mental Health Center	Hardeman	1,335,000	665,000	670,000	0	0
		<u>\$1,335,000</u>	<u>\$665,000</u>	<u>\$670,000</u>	<u>\$0</u>	<u>0</u>
Tennessee Board of Regents						
PSTCC New Academic Building	Knox	1,695,000	50,000	50,000	1,595,000	20
NRSTCC New Humanities Building	Sullivan	1,446,700	189,000	247,700	1,010,000	25
MSCC New Library & Associated Renovations	Moore	835,100	70,000	145,100	620,000	30
		<u>\$3,976,800</u>	<u>\$309,000</u>	<u>\$442,800</u>	<u>\$3,225,000</u>	<u>75</u>
University of Tennessee System						
UT Memphis College of Pharmacy Building	Shelby	1,642,000	620,000	812,000	210,000	0
		<u>\$1,642,000</u>	<u>\$620,000</u>	<u>\$812,000</u>	<u>\$210,000</u>	<u>0</u>
Grand Total		<u><u>\$7,034,900</u></u>	<u><u>\$1,619,800</u></u>	<u><u>\$1,980,100</u></u>	<u><u>\$3,435,000</u></u>	<u><u>75</u></u>

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2004 - 2005

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Austin Peay State University				
Parking Improvements	550,000	0	550,000	0
Emerald Hills Roof Replacements	690,000	690,000	0	0
	<u>\$1,240,000</u>	<u>\$690,000</u>	<u>\$550,000</u>	<u>\$0</u>
East Tennessee State University				
Basketball Seating Improvements	5,430,000	0	0	5,430,000
Neil Dossett & West Hall Housing Renovations	3,200,000	3,200,000	0	0
Innovation Center Renovation	200,000	0	0	200,000
Innovation Center Expansion	1,700,000	1,700,000	0	0
	<u>\$10,530,000</u>	<u>\$4,900,000</u>	<u>\$0</u>	<u>\$5,630,000</u>
Middle Tennessee State University				
Rutherford Boulevard Access Improvements	750,000	0	750,000	0
North Tennessee Boulevard Widening	2,000,000	0	0	2,000,000
Nursing Building Addition	4,800,000	0	0	4,800,000
Farm Consolidation- Planning	150,000	0	150,000	0
Telecommunications Building Addition	250,000	0	250,000	0
Parking and Transportation Phase 2	8,750,000	8,750,000	0	0
Deere Hall and Nicks Hall Housing Renovations	7,830,000	7,830,000	0	0
Alumni Center New Construction	5,250,000	0	0	5,250,000
Student Union	38,000,000	38,000,000	0	0
	<u>\$67,780,000</u>	<u>\$54,580,000</u>	<u>\$1,150,000</u>	<u>\$12,050,000</u>
Tennessee State University				
Biology Facility	7,000,000	0	0	7,000,000
Research and Isotope Splitter Facility	9,000,000	0	0	9,000,000
Honors Center	500,000	0	0	500,000
Performing Arts Studio Completion	3,040,000	0	0	3,040,000
Marina and Lodging Facility	9,600,000	0	0	9,600,000
Research and Sponsored Programs Building	8,000,000	8,000,000	0	0
Student Apartments Phase 3	14,970,000	14,970,000	0	0
	<u>\$52,110,000</u>	<u>\$22,970,000</u>	<u>\$0</u>	<u>\$29,140,000</u>
Tennessee Technological University				
Jobe and Murphy Buildings Fire Alarm Replacements	170,000	0	0	170,000
	<u>\$170,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$170,000</u>
University of Memphis				
Millington Facility Tower Upgrade	4,200,000	0	4,200,000	0
Women's Softball Facility	2,250,000	0	0	2,250,000
Rawls Hall Elevator Replacement	380,000	0	380,000	0
Central Avenue Safety Improvements	200,000	0	200,000	0
Prescott Church Renovation	580,000	0	580,000	0
Robison Hall Renovation	1,800,000	0	1,800,000	0
Wilder Tower Upper Floor Limited Fit-out	900,000	0	900,000	0
Student Recreation Center Addition	1,100,000	1,100,000	0	0
North Parking Garage	14,800,000	14,800,000	0	0
Richardson Towers Improvements	9,000,000	9,000,000	0	0
Various Dormitory Improvements	4,650,000	4,650,000	0	0
Electrical Generation Project	9,070,000	9,070,000	0	0
South Campus Utility Modifications	2,990,000	2,990,000	0	0
Variable Flow Pumping	3,790,000	3,790,000	0	0
	<u>\$55,710,000</u>	<u>\$45,400,000</u>	<u>\$8,060,000</u>	<u>\$2,250,000</u>
Motlow State Community College				
Athletic Facilities & Lighting	160,000	0	0	160,000
	<u>\$160,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$160,000</u>

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2004 - 2005

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Nashville State Technical Community College				
"A" Building Laboratory Renovations Part 2	420,000	0	420,000	0
Data Center Electrical Upgrade	100,000	0	100,000	0
Fire Alarm and Security Systems Upgrades	450,000	0	450,000	0
Horticulture Greenhouse	70,000	0	70,000	0
Off- Campus Sites	450,000	0	450,000	0
	<u>\$1,490,000</u>	<u>\$0</u>	<u>\$1,490,000</u>	<u>\$0</u>
Roane State Community College				
Gymnasium Air Conditioning Installation	230,000	0	0	230,000
Theater Storage and Holding Area Addition	420,000	0	0	420,000
Oak Ridge Branch Campus Parking Expansion	100,000	0	100,000	0
	<u>\$750,000</u>	<u>\$0</u>	<u>\$100,000</u>	<u>\$650,000</u>
Volunteer State Community College				
Parking and Sidewalk Improvements	160,000	0	160,000	0
Livingston Campus Upgrade	880,000	0	0	880,000
Continuing Education Training Center	4,120,000	0	0	4,120,000
Exterior Lighting Improvements	150,000	0	150,000	0
	<u>\$5,310,000</u>	<u>\$0</u>	<u>\$310,000</u>	<u>\$5,000,000</u>
Total for Tennessee Board of Regents System	<u>\$195,250,000</u>	<u>\$128,540,000</u>	<u>\$11,660,000</u>	<u>\$55,050,000</u>
University of Tennessee at Chattanooga				
Campus Landscaping	1,400,000	1,000,000	400,000	0
Athletic Training Facilities	2,000,000	0	0	2,000,000
Challenger Center Addition	500,000	0	0	500,000
	<u>\$3,900,000</u>	<u>\$1,000,000</u>	<u>\$400,000</u>	<u>\$2,500,000</u>
University of Tennessee at Knoxville				
Fraternities Housing Renovation and Addition	23,075,000	17,040,000	0	6,035,000
Sororities Housing	7,875,000	6,632,500	0	1,242,500
Campus Entrances Phase 2	1,700,000	1,100,000	600,000	0
Riverbank Stabilization Phase 1	500,000	0	500,000	0
University Center Plaza Replacement	300,000	0	300,000	0
Business Incubator Building	2,650,000	0	0	2,650,000
Melrose Hall Renovation	500,000	0	500,000	0
Clement Hall Renovation	6,520,000	5,220,000	1,300,000	0
Hess Hall Renovation	10,740,000	8,940,000	1,800,000	0
Student Services Building Renovation Phase 2	500,000	0	500,000	0
Jessie Harris Building Renovation	500,000	0	500,000	0
College of Veterinary Medicine Addition	2,650,000	2,150,000	500,000	0
Baseball Stadium Renovation and Addition	6,000,000	6,000,000	0	0
	<u>\$63,510,000</u>	<u>\$47,082,500</u>	<u>\$6,500,000</u>	<u>\$9,927,500</u>
University of Tennessee at Martin				
Elam Center Renovation	4,000,000	4,000,000	0	0
	<u>\$4,000,000</u>	<u>\$4,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total for University of Tennessee System	<u>\$71,410,000</u>	<u>\$52,082,500</u>	<u>\$6,900,000</u>	<u>\$12,427,500</u>
Grand Total	<u>\$266,660,000</u>	<u>\$180,622,500</u>	<u>\$18,560,000</u>	<u>\$67,477,500</u>

Capital Budget

Commonly Used Abbreviations

AASF	Army Aviation Support Facility	OMS	Organizational Maintenance Shop
ADA	American Disabilities Act	OSHA	Occupational Safety & Health Administration
ADD	Addition	PSTCC	Pellissippi State Technical Community College
AFRC	Armed Forces Reserve Center	REROOF	Replacement Roof
APSU	Austin Peay State University	RNOV	Renovation
ARNG	Army National Guard	RSCC	Roane State Community College
BLDG	Building	SAF	Department of Safety
CC	Community College	SCC	State Community College
CFCs	Chlorofluorocarbons	SSCC	Shelby State Community College
CLSCC	Cleveland State Community College	STCC	State Technical Community College
CO	County	SWTCC	Southwest Technical Community College
COMM	Communication	SYS	System
CONST	Construction	TBR	Tennessee Board of Regents
COSCC	Columbia State Community College	TDOT	Tennessee Department of Transportation
CSCC	Chattanooga State Community College	THEC	Tennessee Higher Education Commission
DCS	Department of Children's Services	THP	Tennessee Highway Patrol
DEMO	Demolition	TNARNG	Tennessee Army National Guard
DEV	Development	TPS	Tennessee Preparatory School
DOC	Department of Correction	TSU	Tennessee State University
DSCC	Dyersburg State Community College	TTCs	Tennessee Technology Centers
EMS	Energy Management System	TTU	Tennessee Technological University
ETSU	East Tennessee State University	TWRA	Tennessee Wildlife Resources Agency
HQS	Headquarters	UNIV	University
HVAC	Heating, Ventilation & Air Conditioning	UOM	University of Memphis
INFO	Information	UT CHS	University of Tennessee Center for Health Sciences
LRC	Learning Resource Center	UT MEMPHIS	University of Tennessee at Memphis
MHI	Mental Health Institute	UTC	University of Tennessee at Chattanooga
MSCC	Motlow State Community College	UTK	University of Tennessee at Knoxville
MSTI	Memphis State Technical Institute	UTM	University of Tennessee at Martin
MTSU	Middle Tennessee State University	UTS	University of Tennessee System
NESTCC	Northeast State Technical Community College	UTSI	University of Tennessee Space Institute
NGB	National Guard Bureau	VSCC	Volunteer State Community College
NSTCC	Nashville State Technical Community College	WSCC	Walters State Community College

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2004 - 2005

The Facilities Revolving Fund (FRF) was established in 1988 to provide efficient management of the state office and warehousing facilities. State agencies are charged a fair market rate for the space they occupy. These revenues, along with any necessary current services revenue and reserve funds constitute the operating funds for FRF.

The fund pays for facilities management costs of state owned and leased office and warehouse space. These costs include debt service on buildings financed with bonds, routine and major maintenance, relocation expenses and furniture for state agencies, and payments for leased office space not

owned by the state but occupied by state agencies.

While FRF is administered by the Commissioner of Finance and Administration, the departments of General Services and Finance and Administration manage the daily operations of the fund. General Services operates, maintains, and manages FRF facilities. Finance and Administration constructs and renovates facilities through its Division of Capital Projects and Real Property Management with approval of the State Building Commission. The division also assigns space to agencies, handles lease acquisitions, and provides relocation services and furniture to agencies.

The Department of General Services maintains the daily upkeep of FRF facilities through Operational Maintenance. Items such as contracts for janitorial and security services are funded through this allotment.

	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>
501.01 Operational Maintenance			
Payroll	0	0	0
Operational	43,436,300	41,247,700	42,000,000
Total	\$43,436,300	\$41,247,700	\$42,000,000
State	334,500	321,600	321,600
Federal	0	0	0
Other	43,101,800	40,926,100	41,678,400

The Department of General Services makes standard repairs and handles regular maintenance of FRF facilities within Project Maintenance. Items such as painting walls, repairing doors, and stopping leaks are paid from this allotment.

501.02 General Services Project Maintenance

Payroll	0	0	0
Operational	1,328,700	1,700,000	1,700,000
Total	\$1,328,700	\$1,700,000	\$1,700,000
State	0	0	0
Federal	0	0	0
Other	1,328,700	1,700,000	1,700,000

The Department of Finance and Administration assigns and leases space to state agencies, negotiates and pays for leases in non-state owned buildings, and pays for moving and furniture expenses, within the Facilities Management allotment.

	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>
501.03 Facilities Management			
Payroll	0	0	0
Operational	29,908,600	29,345,000	40,500,000
Total	\$29,908,600	\$29,345,000	\$40,500,000
State	0	0	0
Federal	0	0	0
Other	29,908,600	29,345,000	40,500,000

The Department of Finance and Administration's Capital Projects and Real Property Management Division coordinates maintenance and new construction activities for the state-owned buildings in FRF. Included in the recommended FRF Capital Projects budget are funds for statewide maintenance as well as capital outlay projects.

501.04 Capital Projects

Payroll	0	0	0
Operational	3,469,000	6,315,000	6,240,000
Total	\$3,469,000	\$6,315,000	\$6,240,000
State	0	0	0
Federal	0	0	0
Other	3,469,000	6,315,000	6,240,000

501.05 Debt Service

Payroll	0	0	0
Operational	21,068,900	21,000,000	20,500,000
Total	\$21,068,900	\$21,000,000	\$20,500,000
State	0	0	0
Federal	0	0	0
Other	21,068,900	21,000,000	20,500,000

501.00 Facilities Revolving Fund Total

Payroll	0	0	0
Operational	99,211,500	99,607,700	110,940,000
Total	\$99,211,500	\$99,607,700	\$110,940,000
State	334,500	321,600	321,600
Federal	0	0	0
Other	98,877,000	99,286,100	110,618,400

**Proposed Facilities Revolving Fund Capital Appropriations
from Bonds and Current Funds
Fiscal Year 2004 - 2005**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>FRF CURRENT</u>	<u>BONDS</u>	<u>OTHER</u>
Capital Maintenance	Statewide	11,940,000	4,840,000	7,100,000	0
TBI Jackson New Field Office Build-to-Suit	Madison	3,500,000	0	0	3,500,000 ¹
Knoxville New Environmental Field Office Build-to-Suit	Knox	4,800,000	0	0	4,800,000 ¹
New Upper Cumberland Regional Health Office	Putnam	10,100,000	400,000	9,700,000	0
Lowell Thomas State Office Building Renovation II	Madison	7,650,000	650,000	7,000,000	0
New State Data Center- Initial Planning	Davidson	200,000	200,000	0	0
Capitol Complex Interior Renovation Additional Funding	Davidson	1,650,000	150,000	1,500,000	0
Grand Total		<u><u>\$39,840,000</u></u>	<u><u>\$6,240,000</u></u>	<u><u>\$25,300,000</u></u>	<u><u>\$8,300,000</u></u>

NOTE:

1. Projects to be funded with Bonds from Public Acts of 2003, Public Chapter 338 if purchased in future years.

State Taxpayers Budget

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State Taxpayers Budget

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes.

The "State Taxpayers Budget" excludes the dedicated funds; it reports only appropriations from general state tax sources, along with estimates of the general taxes. The "State Taxpayers Budget" excludes appropriations from dedicated tax and fee sources, all federal revenues, and all other departmental revenues.

This section begins with a departmental summary of state appropriations from general tax sources. The chart entitled "Tennessee Taxpayer Budget, Departmental Summary of State Appropriations," includes this departmental summary information and a grand total for the State Taxpayers Budget appropriations. The chart then shows a single line-item for appropriations from dedicated state tax sources and a grand total state appropriation for the Budget Document, which reconciles to the total state appropriations in the remainder of the Budget Document.

Following the departmental summary of state appropriations is a summary of appropriations from dedicated taxes and fees. This schedule summarizes the various departmental appropriations from dedicated state sources that are excluded from the State Taxpayers Budget. Examples of appropriations from dedicated state sources are the appropriations to the Tennessee Wildlife Resources Agency (TWRA) from hunting and fishing license fees and from real estate transfer taxes supporting the Wetlands

Acquisition Fund, administered by TWRA, and appropriations to regulatory agencies from fees imposed on health professions, other professions, banks, and environment-impacting industries.

The third schedule in this section is a more detailed breakdown of the state appropriations from general tax sources. "State Taxpayers Budget, State Appropriations by Program," itemizes these appropriations by program. As with the departmental summary, this schedule includes a single line item for appropriations from dedicated sources to balance to the total state appropriations elsewhere in the Budget Document.

The tax revenue estimates recommended in the State Taxpayers Budget follow the appropriations by program. The chart entitled "State Taxpayers Budget, Comparison Statement of State Revenues," includes taxes collected by the Department of Revenue (the major taxes) as well as those collected and deposited to the General Fund by other line agencies in conjunction with carrying out their programs. This chart excludes taxes and fees collected and deposited in the General Fund which are earmarked or dedicated for specific use. Distributions of taxes by fund for last year, the current year, and next year are on the following three charts.

Except for the "State Taxpayers Budget" and a chart summarizing base budget reductions from a discretionary base, all of the other summary charts and program statements in this Budget Document that deal with appropriations include appropriations from all state sources, both general taxes and dedicated taxes and fees.

State Taxpayers Budget
Departmental Summary of State Appropriations *
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

		Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
General Fund and Education Fund				
301	Legislature	\$ 26,159,600	\$ 27,522,600	\$ 27,509,700
301.50	Fiscal Review Committee	793,000	752,200	853,300
302	Court System	73,439,300	79,643,600	80,458,300
303	Attorney General and Reporter	13,682,500	15,524,900	15,521,300
304	District Attorneys General Conference	43,655,700	45,558,500	46,247,200
305	Secretary of State	16,710,700	22,747,800	22,731,400
306	District Public Defenders Conference	25,123,600	26,695,700	27,096,100
307	Comptroller of the Treasury	41,883,800	45,774,400	45,760,500
308	Office of the Post-Conviction Defender	949,900	1,088,500	1,099,000
309	Treasury Department	585,200	142,900	142,900
315	Executive Department	3,606,200	3,783,300	3,611,400
315.05	Office of Homeland Security	198,000	887,500	843,100
316	Commissions	19,264,900	19,634,700	18,979,100
317	Finance and Administration (F&A)	6,424,300	11,037,300	16,529,800
318	F&A - TennCare Program	2,057,203,600	2,248,208,400	2,490,045,500
319	Personnel	3,430,300	4,445,300	4,313,200
321	General Services	5,154,900	2,171,200	2,063,600
323	Veterans Affairs	2,762,600	2,748,800	2,863,600
324	Board of Probation and Parole	52,980,100	53,547,800	52,745,400
325	Agriculture	31,968,200	34,273,600	36,633,600
326	Tourist Development	7,701,800	7,434,700	7,059,000
327	Environment and Conservation	63,388,200	65,085,700	72,428,400
329	Correction	458,487,100	505,899,600	518,630,700
330	Economic and Community Development	30,694,900	31,326,100	48,093,900
331	Education	2,693,988,400	2,796,053,500	2,952,606,300
332	Higher Education	1,103,691,500	1,089,738,700	1,079,479,600
335	Commerce and Insurance	5,082,200	10,639,400	9,625,300
337	Labor and Workforce Development	12,351,700	14,920,700	14,727,000
339	Mental Health and Developmental Disabilities	96,765,800	111,063,300	106,391,200
339.21	F&A - Mental Retardation	94,247,200	102,880,200	111,001,900
341	Military	11,774,400	9,628,900	9,117,700
343	Health	66,756,900	78,228,300	72,405,800
345	Human Services	169,487,400	169,287,900	192,385,500
347	Revenue	39,357,800	45,043,300	43,646,000
348	Tennessee Bureau of Investigation	26,484,100	26,107,000	25,069,400
349	Safety	104,616,200	112,346,300	113,654,900
351	Miscellaneous Appropriations	16,070,800	35,317,200	230,245,100
353	Emergency and Contingency Fund	-	819,300	819,300
355	State Building Commission	250,000	250,000	250,000
359	Children's Services	252,580,800	263,196,500	260,856,000
Subtotal General Fund and Education Fund		\$ 7,679,753,600	\$ 8,121,455,600	\$ 8,764,541,000
	Transportation	\$ 783,425,000 **	\$ 622,850,000	\$ 638,400,000
	Debt Service Requirements	207,852,700	228,163,000	246,782,000
	Capital Outlay Program	98,606,000 **	27,497,000	45,200,000
	Facilities Revolving Fund	334,500	321,600	321,600
	Cities and Counties - State Shared Taxes	654,591,300	646,200,000	665,300,000
Grand Total State Taxpayers Budget		\$ 9,424,563,100	\$ 9,646,487,200	\$ 10,360,544,600
	Dedicated Tax Sources - Appropriation	\$ 233,979,600	\$ 277,992,500	\$ 294,562,300
Grand Total State Appropriation - Budget Document		\$ 9,658,542,700	\$ 9,924,479,700	\$ 10,655,106,900

* FY 2002-2003 is actual expenditures from appropriations, except as noted. State Taxpayers Budget excludes appropriations from dedicated tax sources, federal revenues, and all other departmental revenues.

** FY 2002-2003 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

**Departmental Summary of Appropriations
from Dedicated Taxes and Fees: ***
Amounts Excluded from State Taxpayers Budget
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

	<u>Actual 2002-2003 *</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
302.00 Court System	\$ 6,635,100	\$ 7,509,000	\$ 7,508,900
303.00 Attorney General and Reporter	1,173,600	1,781,600	1,781,600
307.00 Comptroller of the Treasury	19,338,500	12,510,000	12,510,000
313.00 Claims and Compensation	5,175,500	8,125,500	9,408,500
316.07 Health Services and Development Agency	707,600	1,283,000	1,278,700
316.11 Tennessee Regulatory Authority	6,245,500	7,048,000	7,145,100
316.25 Arts Commission	2,500,000	2,000,000	2,000,000
317.00 Finance and Administration	1,374,200	1,958,400	1,958,400
324.00 Board of Probation and Parole	1,984,600	3,700,000	4,039,500
325.00 Agriculture	17,307,100	21,790,600	23,009,400
327.00 Environment and Conservation	61,125,700	73,478,800	77,663,600
328.00 Wildlife Resources Agency	34,279,700	37,338,500	40,170,600
329.00 Correction	75,000	79,500	79,500
330.00 Economic and Community Development	-	-	-
331.00 Education	1,784,100	1,895,000	1,895,000
335.00 Commerce and Insurance	28,236,500	41,157,400	41,425,500
336.00 Financial Institutions	4,185,000	5,764,800	6,622,100
337.00 Labor and Workforce Development	10,075,300	8,561,600	10,561,100
343.00 Health	21,588,600	25,923,500	28,791,600
349.00 Safety	951,800	6,176,500	6,202,400
351.00 Miscellaneous Appropriations	8,668,000	8,525,000	9,125,000
359.00 Children's Services	568,200	1,385,800	1,385,800
Total Appropriations from Dedicated Tax Sources	\$ 233,979,600	\$ 277,992,500	\$ 294,562,300

* FY 2002-2003 is actual expenditures from appropriations.

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
Legislature			
301.01 Legislative Administration Services	4,070,700	4,133,400	4,132,600
301.07 House of Representatives	10,865,500	11,957,500	11,952,900
301.08 State Senate	5,898,500	6,299,000	6,295,700
301.13 General Assembly Committees	459,300	494,400	494,000
301.16 General Assembly Support Services	4,814,800	4,568,700	4,564,900
301.17 Tennessee Code Commission	50,800	69,600	69,600
301.00 Subtotal Legislature	26,159,600	27,522,600	27,509,700
301.50 Fiscal Review Committee	793,000	752,200	853,300
Court System			
302.01 Appellate and Trial Courts	42,253,100	43,982,100	44,446,400
302.05 Supreme Court Buildings	1,741,200	2,149,200	2,145,000
302.08 Child Support Referees	335,200	384,500	384,200
302.09 Guardian ad Litem	1,662,100	1,477,500	1,477,500
302.10 Indigent Defendants' Counsel	16,891,000	16,891,600	17,341,600
302.11 Civil Legal Representation Fund	-	-	-
302.12 Verbatim Transcripts	3,400,100	3,626,100	3,616,100
302.15 Tennessee State Law Libraries	565,100	533,500	533,400
302.18 Judicial Conference	23,100	50,000	-
302.20 Judicial Programs and Commissions	265,500	485,200	455,700
302.22 State Court Clerks' Conference	-	-	-
302.27 Administrative Office of the Courts	6,301,900	9,702,700	9,698,800
302.30 Appellate Court Clerks	1,000	361,200	359,600
302.00 Subtotal Court System	73,439,300	79,643,600	80,458,300
Attorney General and Reporter			
303.01 Attorney General and Reporter	13,419,600	15,194,100	15,190,600
303.05 Publication of Tennessee Reports	182,500	142,300	142,200
303.08 Special Litigation	80,400	188,500	188,500
303.00 Subtotal Attorney General and Reporter	13,682,500	15,524,900	15,521,300
District Attorneys General Conference			
304.01 District Attorneys General	42,444,100	44,136,400	44,846,100
304.05 District Attorneys General Conference	92,000	237,200	237,200
304.10 Executive Director	1,119,600	1,184,900	1,163,900
304.00 Subtotal District Attorneys General Conference	43,655,700	45,558,500	46,247,200
Secretary of State			
305.01 Secretary of State	3,149,400	7,164,800	7,161,800
305.02 State Election Commission	1,747,500	1,677,000	1,677,000
305.03 Public Documents	198,100	387,600	387,600
305.04 State Library and Archives	5,558,100	6,214,900	6,213,400
305.05 Regional Library System	5,710,700	6,891,100	6,888,700
305.07 Registry of Election Finance	249,100	318,800	309,300
305.08 Economic Council on Women	97,800	93,600	93,600
305.00 Subtotal Secretary of State	16,710,700	22,747,800	22,731,400

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
District Public Defenders Conference			
306.01 District Public Defenders	20,351,500	21,875,800	22,276,900
306.03 Executive Director	647,400	748,200	747,500
306.10 Shelby County Public Defender	2,764,000	2,728,500	2,728,500
306.12 Davidson County Public Defender	1,360,700	1,343,200	1,343,200
306.00 Subtotal District Public Defenders Conference	25,123,600	26,695,700	27,096,100
Comptroller of the Treasury			
307.01 Division of Administration	563,100	652,300	651,900
307.02 Office of Management Services	4,550,400	5,534,800	5,533,600
307.04 Division of State Audit	8,089,100	8,671,200	8,666,300
307.05 Division of County Audit	5,458,200	5,912,300	5,909,700
307.06 Division of Municipal Audit	1,204,600	1,264,600	1,264,100
307.07 Division of Bond Finance	207,700	330,100	330,000
307.08 Office of Local Government	247,100	309,300	309,200
307.09 Division of Property Assessments	6,606,700	7,881,400	7,878,300
307.10 Tax Relief	9,869,300	10,000,000	10,000,000
307.11 State Board of Equalization	3,013,900	2,804,200	2,804,000
307.12 Division of Local Finance	299,900	338,800	338,700
307.14 Offices of Research and Education Accountability	1,106,600	1,209,400	1,208,900
307.15 Office of State Assessed Properties	667,200	866,000	865,800
307.50 Telecommunications Ad Valorem Tax Equity Payments	-	-	-
307.00 Subtotal Comptroller of the Treasury	41,883,800	45,774,400	45,760,500
308.00 Office of the Post-Conviction Defender	949,900	1,088,500	1,099,000
Treasury Department			
309.01 Treasury Department	526,600	88,100	88,100
309.02 Certified Public Administrators	58,600	54,800	54,800
309.00 Subtotal Treasury Department	585,200	142,900	142,900
Executive Department			
315.01 Governor's Office	2,997,700	3,390,300	3,199,600
315.02 Intergovernmental Conferences	407,800	393,000	411,800
315.04 Gubernatorial Transition Office	200,700	-	-
315.00 Subtotal Executive Department	3,606,200	3,783,300	3,611,400
315.05 Executive Department - Office of Homeland Security	198,000	887,500	843,100
Commissions			
316.01 Commission on Children and Youth	1,559,600	1,575,400	1,496,500
316.02 Commission on Aging and Disability	9,265,100	8,697,400	8,462,300
316.03 Alcoholic Beverage Commission	1,354,300	1,818,800	1,812,400
316.04 Human Rights Commission	1,292,600	1,418,800	1,397,600
316.09 Corrections Institute	629,300	651,100	647,800
316.10 Council of Juvenile and Family Court Judges	411,600	435,000	432,600

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
316.12 Advisory Commission on Intergovernmental Relations	105,300	280,000	266,000
316.25 Arts Commission	2,073,900	2,014,800	2,014,000
316.27 State Museum	2,471,800	2,368,400	2,449,900
316.31 Tax Structure Study Commission	101,400	375,000	-
316.00 Subtotal Commissions	19,264,900	19,634,700	18,979,100
Finance and Administration			
317.01 Division of Administration	677,000	1,253,200	1,253,000
317.02 Division of Budget	2,340,600	2,941,400	2,940,700
317.03 Office of Information Resources	-	2,275,000	7,775,000
317.06 Criminal Justice Programs	239,500	420,600	419,500
317.07 Resource Development and Support	851,500	1,473,400	1,468,300
317.10 Capital Projects and Real Property Management	2,178,800	2,455,500	2,455,100
317.11 National and Community Service	136,900	218,200	218,200
317.00 Subtotal Finance and Administration	6,424,300	11,037,300	16,529,800
Finance and Administration - TennCare Program			
318.65 TennCare Administration	81,205,800	87,874,900	92,295,900
318.66 TennCare Services	1,376,527,600	1,501,355,700	1,691,033,400
318.67 Waiver and Crossover Services	193,780,100	233,933,900	258,293,800
318.68 Long Term Care Services	405,690,100	425,043,900	448,422,400
318.00 Subtotal Finance and Administration - TennCare Program	2,057,203,600	2,248,208,400	2,490,045,500
Personnel			
319.01 Executive Administration	1,661,500	1,762,400	1,766,800
319.02 Human Resource Development	273,400	835,800	735,800
319.03 Technical Services	1,495,400	1,847,100	1,810,600
319.00 Subtotal Personnel	3,430,300	4,445,300	4,313,200
General Services			
321.01 Administration	477,900	459,400	412,300
321.04 Property Utilization	-	-	-
321.06 Motor Vehicle Management	3,056,100	-	-
321.07 Property Management	1,334,900	1,439,800	1,379,300
321.09 Printing	265,100	250,000	250,000
321.10 Purchasing	20,900	22,000	22,000
321.00 Subtotal General Services	5,154,900	2,171,200	2,063,600
323.00 Veterans Affairs	2,762,600	2,748,800	2,863,600
Board of Probation and Parole			
324.02 Probation and Parole Services	43,726,600	44,891,400	43,659,600
324.04 Community Correction	9,253,500	8,656,400	9,085,800
324.00 Subtotal Board of Probation and Parole	52,980,100	53,547,800	52,745,400

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
Agriculture			
325.01 Administration and Grants	9,200,200	8,923,300	8,711,400
325.05 Regulatory Services	5,780,400	6,660,300	6,339,300
325.06 Market Development	2,002,200	2,047,300	1,933,700
325.10 Forestry Operations	14,826,900	16,484,200	19,490,700
325.11 Forestry Maintenance	158,500	158,500	158,500
325.00 Subtotal Agriculture	31,968,200	34,273,600	36,633,600
Tourist Development			
326.01 Administration and Marketing	7,701,800	7,434,700	7,059,000
326.03 Welcome Centers	-	-	-
326.00 Subtotal Tourist Development	7,701,800	7,434,700	7,059,000
Environment and Conservation			
327.01 Administrative Services	5,414,400	5,144,500	4,859,900
327.03 Recreation Educational Services	544,900	602,000	507,000
327.04 Historical Commission	1,223,000	1,364,300	1,402,800
327.08 Archaeology	546,100	620,900	611,800
327.11 Geology	1,285,900	1,188,700	1,162,500
327.12 Tennessee State Parks	25,650,100	30,382,200	28,667,000
327.14 Natural Heritage	720,100	678,200	668,300
327.15 State Parks Maintenance	3,616,400	3,073,800	3,070,200
327.18 Maintenance of Historic Sites	200,000	185,000	185,000
327.24 West Tennessee River Basin Authority Maintenance	-	500,000	500,000
327.26 West Tennessee River Basin Authority	612,200	709,400	707,300
327.30 Environment Administration	1,602,700	1,360,500	1,069,300
327.31 Air Pollution Control	1,191,500	1,132,900	1,073,000
327.32 Radiological Health	-	373,000	372,300
327.33 Community Assistance	7,329,900	6,272,900	6,217,800
327.34 Water Pollution Control	5,233,200	4,781,900	4,733,900
327.35 Solid Waste Management	2,172,500	1,642,400	1,594,700
327.38 Hazardous Waste Remedial Action Fund	1,065,800	1,013,600	1,000,000
327.39 Water Supply	914,700	740,300	723,500
327.40 Groundwater Protection	4,064,800	3,319,200	3,302,100
327.41 Underground Storage Tanks	-	-	10,000,000
327.00 Subtotal Environment and Conservation	63,388,200	65,085,700	72,428,400
Correction			
329.01 Administration	10,728,300	13,071,100	12,660,500
329.04 State Prosecutions	113,060,600	104,375,300	115,137,100
329.06 Correction Academy	3,881,800	4,162,200	4,297,600
329.08 Wayne County Boot Camp	7,661,600	8,480,200	8,454,000
329.11 Brushy Mountain Correctional Complex	30,010,900	31,676,000	31,704,700
329.13 Tennessee Prison for Women	13,868,200	15,809,600	15,199,800
329.14 Turney Center Industrial Prison and Farm	18,816,000	20,234,200	20,722,800
329.16 Mark Luttrell Correctional Facility	10,059,000	11,029,700	10,983,700
329.17 Middle Tennessee Correctional Complex	20,691,200	22,357,200	22,287,800
329.18 Southeastern Tenn. State Regional Corr. Facility	16,756,800	17,970,200	17,909,400

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
329.21 Hardeman County Incarceration Agreement	30,669,300	31,705,400	32,374,400
329.22 Hardeman County Agreement - Whiteville	9,432,000	25,077,000	25,611,400
329.32 Major Maintenance	3,635,800	3,560,500	3,552,600
329.41 West Tennessee State Penitentiary	40,142,500	43,159,200	42,895,100
329.42 Riverbend Maximum Security Institution	17,850,000	19,004,800	18,944,800
329.43 Northeast Correctional Complex	28,410,800	30,039,500	29,956,900
329.44 South Central Correctional Center	22,556,200	23,954,100	24,689,500
329.45 Northwest Correctional Complex	35,325,600	38,197,200	38,144,400
329.46 Lois M. DeBerry Special Needs Facility	24,930,500	27,700,700	28,768,700
329.99 Sentencing Act of 1985	-	14,335,500	14,335,500
329.00 Subtotal Correction	458,487,100	505,899,600	518,630,700
Economic and Community Development			
330.01 Administrative Services	4,200,700	4,271,700	4,198,000
330.02 Industrial Development	5,090,300	3,398,300	3,065,800
330.04 Regional Grants Management	1,635,400	1,681,200	1,882,200
330.05 Business Services	1,286,000	1,227,900	1,361,200
330.06 FastTrack Infrastructure Development Program	13,621,500	15,100,000	21,600,000
330.07 Community Development	2,556,100	3,267,300	2,963,300
330.08 Energy Division	25,400	12,400	34,300
330.09 FastTrack Job Training Assistance Program	2,279,500	2,367,300	12,989,100
330.00 Subtotal Economic and Community Development	30,694,900	31,326,100	48,093,900
Education (K-12)			
331.01 Administration	5,811,900	7,096,000	7,127,000
331.02 Grants-In-Aid	4,103,600	3,751,000	3,563,500
331.04 Technology, Infrastructure, and Support Systems	2,136,700	2,557,200	4,398,300
331.05 Training and Professional Development	8,388,800	8,066,500	6,959,700
331.06 Curriculum and Instruction	1,612,200	3,074,500	3,824,500
331.07 State Board of Education	571,600	644,400	644,400
331.09 Improving School Programs	9,226,800	13,162,300	13,048,300
331.10 Career Ladder	87,652,100	84,480,000	80,619,200
331.11 Accountability	16,379,100	15,278,200	13,682,700
331.25 BEP and Other LEA Support	2,512,262,600	2,609,157,000	2,767,247,200
331.35 School Nutrition Programs	4,768,600	4,805,500	4,805,500
331.36 Special Education Services	523,600	544,200	544,200
331.43 Driver Education	-	-	-
331.45 Vocational Education Programs	2,628,800	3,661,500	3,661,500
331.90 Alvin C. York Institute	3,780,000	3,954,400	4,056,100
331.91 Tennessee School for the Blind	7,936,500	8,411,400	8,497,600
331.92 Tennessee School for the Deaf	10,903,600	11,798,300	11,813,900
331.93 West Tennessee School for the Deaf	1,708,500	1,864,300	1,877,000
331.95 Tennessee Infant-Parent Services School	13,408,400	13,507,700	15,996,600
331.97 Major Maintenance	185,000	239,100	239,100
331.00 Subtotal Education (K-12)	2,693,988,400	2,796,053,500	2,952,606,300

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
Higher Education - State Administered Programs			
332.01 Tennessee Higher Education Commission	1,762,500	1,936,500	1,924,600
332.02 Contract Education	2,500,000	2,330,100	2,317,600
332.03 Tennessee Student Assistance Awards	44,132,000	41,208,500	40,987,500
332.04 Federal Family Education Loan Program (FFELP)	-	-	-
332.05 Tennessee Student Assistance Corporation	966,700	1,267,700	1,260,100
332.06 Academic Scholars Program	251,800	251,800	250,400
332.07 Loan/Scholarship Programs	1,191,000	1,191,000	1,184,600
332.08 Centers of Excellence	17,770,900	17,112,500	17,020,700
332.09 THEC Grants	2,619,200	2,509,600	2,496,100
332.11 Campus Centers of Emphasis	1,276,400	1,229,000	1,222,400
332.13 Geier Desegregation Settlement	8,481,300	11,265,000	11,204,600
332.14 Foreign Language Institute	291,100	294,800	293,200
332.00 Subtotal Higher Education - State Administered Programs	81,242,900	80,596,500	80,161,800
University of Tennessee System			
332.10 UT University-Wide Administration	3,116,400	3,069,200	3,046,000
332.15 UT Institute for Public Service	4,746,900	4,633,900	4,609,100
332.16 UT Municipal Technical Advisory Service	1,486,100	1,488,800	1,480,700
332.17 UT County Technical Assistance Service	1,117,900	1,111,100	1,105,000
332.23 UT Space Institute	7,232,600	7,203,900	7,157,100
332.25 UT Agricultural Experiment Station	20,725,000	20,546,600	20,422,900
332.26 UT Agricultural Extension Service	24,478,000	24,369,300	24,227,800
332.28 UT Veterinary Medicine	13,459,500	13,296,800	13,198,300
332.30 UT Memphis	58,077,700	58,105,700	57,709,600
332.32 UT Family Medicine	6,317,300	6,356,400	6,320,800
332.34 UT College of Medicine	40,975,300	40,344,400	39,857,100
332.40 UT Chattanooga	38,814,400	38,341,700	37,958,400
332.42 UT Knoxville	160,698,000	158,650,800	157,016,900
332.44 UT Martin	27,491,100	27,177,700	26,903,900
332.10 Subtotal University of Tennessee System	408,736,200	404,696,300	401,013,600
State University and Community College System			
332.53 Southwest Tennessee Community College	34,985,200	34,340,600	34,045,200
332.54 Nashville State Technical Community College	13,120,600	12,900,300	12,769,500
332.55 Pellissippi State Technical Community College	18,232,200	17,975,600	17,795,100
332.56 Northeast State Technical Community College	10,563,800	10,407,900	10,309,500
332.60 Tennessee Board of Regents	3,803,500	3,761,800	3,740,000
332.62 TSU McMinnville Center	456,300	441,900	439,500
332.65 ETSU College of Medicine	23,570,400	23,661,200	23,219,400
332.67 ETSU Family Practice	4,207,300	4,188,800	4,166,300
332.70 Austin Peay State University	30,122,200	29,628,300	29,317,800
332.72 East Tennessee State University	52,240,000	51,661,000	51,147,600
332.74 University of Memphis	103,465,300	101,334,500	100,306,100
332.75 Middle Tennessee State University	82,453,600	81,311,600	80,426,100
332.77 Tennessee State University	37,270,600	36,710,800	36,233,900
332.78 Tennessee Technological University	41,458,900	40,848,000	40,445,700
332.80 Chattanooga State Technical Community College	21,167,300	20,863,400	20,669,000

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
332.81 Cleveland State Community College	9,231,900	9,072,200	8,994,700
332.82 Columbia State Community College	11,423,300	11,234,400	11,132,500
332.84 Dyersburg State Community College	6,127,200	6,053,300	5,997,500
332.86 Jackson State Community College	10,803,400	10,648,900	10,549,100
332.88 Motlow State Community College	8,931,100	8,780,400	8,702,900
332.90 Roane State Community College	15,929,300	15,666,600	15,529,600
332.94 Volunteer State Community College	15,665,400	15,443,600	15,295,700
332.96 Walters State Community College	15,907,500	15,691,000	15,552,300
332.98 Tennessee Technology Centers	42,576,100	41,819,800	41,519,200
332.60 Subtotal State University and Community College System	613,712,400	604,445,900	598,304,200
Total Higher Education	1,103,691,500	1,089,738,700	1,079,479,600
Commerce and Insurance			
335.02 Insurance	-	3,446,600	2,908,500
335.03 Fire Prevention	-	76,100	76,100
335.06 Consumer Affairs	674,500	727,900	727,700
335.07 Fire and Codes Enforcement Academy	1,930,200	4,073,300	3,702,600
335.28 Fire Fighting Personnel Standards and Education	2,477,500	2,315,500	2,210,400
335.00 Subtotal Commerce and Insurance	5,082,200	10,639,400	9,625,300
Labor and Workforce Development			
337.01 Administration	2,123,100	2,759,700	2,545,600
337.02 Tenn. Occupational Safety & Health Administration	-	1,058,200	664,600
337.03 Workers' Compensation	6,001,400	6,407,800	6,906,500
337.04 Mines	275,600	391,000	338,400
337.06 Labor Standards	841,800	1,029,100	997,100
337.08 Second Injury Fund	-	-	-
337.09 Adult Basic Education	3,109,800	3,274,900	3,274,800
337.00 Subtotal Labor and Workforce Development	12,351,700	14,920,700	14,727,000
Mental Health and Developmental Disabilities			
339.01 Administrative Services Division	6,640,400	6,968,100	7,847,900
339.05 Mental Health Services Administration	1,386,200	1,602,800	1,592,100
339.08 Community Mental Health Services	36,811,600	43,035,000	43,035,000
339.10 Lakeshore Mental Health Institute	10,581,900	12,826,200	11,561,500
339.11 Middle Tennessee Mental Health Institute	14,809,000	13,731,700	12,226,900
339.12 Western Mental Health Institute	7,487,000	12,310,400	11,520,900
339.16 Moccasin Bend Mental Health Institute	7,227,400	9,194,900	8,453,100
339.17 Memphis Mental Health Institute	11,056,700	10,644,200	9,403,800
339.40 Major Maintenance	765,600	750,000	750,000
339.00 Subtotal Mental Health and Developmental Disabilities	96,765,800	111,063,300	106,391,200

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
F&A - Mental Retardation Division			
339.21 Mental Retardation Administration	3,112,000	4,115,600	4,264,500
339.22 Developmental Disabilities Council	31,200	165,800	164,500
339.23 Community Mental Retardation Services	47,610,500	81,797,200	88,549,700
339.25 West Tennessee Region	13,762,300	4,885,600	5,289,000
339.26 Middle Tennessee Region	22,422,200	8,996,700	9,361,800
339.27 East Tennessee Region	7,309,000	2,919,300	3,372,400
339.21 Subtotal F&A - Mental Retardation Division	94,247,200	102,880,200	111,001,900
Military			
341.01 Administration	1,630,400	1,689,700	2,044,600
341.02 Army National Guard	743,800	946,000	784,200
341.03 Air National Guard	1,360,800	1,520,400	1,507,800
341.04 Tennessee Emergency Management Agency	2,029,200	2,971,400	2,279,700
341.07 Armories Maintenance	706,300	736,600	736,600
341.09 TEMA Disaster Relief Grants	3,401,900	-	-
341.10 Armories Utilities	1,902,000	1,764,800	1,764,800
341.00 Subtotal Military	11,774,400	9,628,900	9,117,700
Health			
343.01 Executive Administration	4,087,600	4,680,300	4,560,100
343.03 Administrative Services	2,136,300	2,559,800	2,410,200
343.04 Division of Technology	2,820,500	3,252,100	3,177,700
343.05 Bureau of Health Licensure and Regulation	4,175,100	4,151,400	4,185,700
343.07 Emergency Medical Services	356,500	547,400	546,500
343.08 Laboratory Services	6,908,000	7,561,600	7,161,700
343.20 Policy Planning and Assessment	3,494,300	4,487,800	4,023,100
343.39 General Environmental Health	-	-	-
343.44 Alcohol and Drug Abuse Services	8,952,600	7,971,300	7,969,600
343.45 Health Services Administration	3,368,800	3,805,100	3,801,100
343.47 Maternal and Child Health	2,648,600	2,925,300	2,924,100
343.49 Communicable and Environmental Disease Services	1,737,800	3,930,500	4,049,600
343.52 Population-Based Services	4,695,200	6,147,700	6,177,600
343.60 Local Health Services	21,375,600	26,208,000	21,418,800
343.00 Subtotal Health	66,756,900	78,228,300	72,405,800
Human Services			
345.01 Administration	17,938,900	18,316,400	18,310,600
345.13 Child Support	15,172,800	15,357,700	15,026,800
345.16 Field Operations	4,891,300	5,918,000	5,915,000
345.17 County Rentals	5,002,800	4,023,600	3,897,600
345.23 Temporary Cash Assistance	18,168,900	20,500,000	43,882,700
345.30 Family Assistance Services	65,246,700	54,816,000	48,759,400
345.35 Disaster Relief	600	-	-
345.49 Community Services	32,436,600	40,857,600	47,099,400
345.70 Vocational Rehabilitation	10,628,800	9,498,600	9,494,000
345.00 Subtotal Human Services	169,487,400	169,287,900	192,385,500

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
Revenue			
347.01 Administration Division	5,364,700	5,624,100	6,000,100
347.02 Tax Enforcement Division	3,892,400	4,249,000	4,238,200
347.11 Information Technology Resources Division	7,394,000	9,392,900	7,529,100
347.13 Taxpayer Services Division	4,397,000	5,269,400	5,082,400
347.14 Audit Division	14,136,700	15,341,500	15,761,700
347.16 Processing Division	4,173,000	5,166,400	5,034,500
347.00 Subtotal Revenue	39,357,800	45,043,300	43,646,000
348.00 Tennessee Bureau of Investigation	26,484,100	26,107,000	25,069,400
Safety			
349.01 Administration	6,060,700	5,907,800	5,450,600
349.02 Driver License Issuance	600,400	2,301,700	1,575,900
349.03 Highway Patrol	68,758,600	73,863,900	71,507,800
349.07 Motor Vehicle Operations	7,181,300	7,178,000	7,129,900
349.09 Tennessee Law Enforcement Training Academy	2,023,200	2,521,200	2,417,000
349.10 P.O.S.T. Commission	7,021,000	6,685,000	6,350,400
349.11 Titling and Registration	10,374,700	11,553,200	16,995,200
349.12 Major Maintenance	249,000	200,000	200,000
349.13 Technical Services	2,347,300	2,135,500	2,028,100
349.00 Subtotal Safety	104,616,200	112,346,300	113,654,900
351.00 Miscellaneous Appropriations	16,070,800	35,317,200	230,245,100
353.00 Emergency and Contingency Fund	-	819,300	819,300
355.02 Major Maintenance and Equipment	250,000	250,000	250,000
Children's Services			
359.10 Administration	25,949,200	25,106,800	22,596,500
359.20 Family Support Services	21,104,700	26,905,200	25,768,800
359.30 Custody Services	79,826,600	86,284,500	85,247,100
359.40 Adoption Services	13,591,500	16,179,100	18,326,200
359.50 Child and Family Management	63,953,300	56,855,900	57,891,400
359.60 John S. Wilder Youth Development Center	7,923,300	9,253,400	9,304,600
359.61 Taft Youth Development Center	10,636,400	11,647,300	10,232,300
359.62 Woodland Hills Youth Development Center	8,781,400	9,669,800	9,635,100
359.63 Mountain View Youth Development Center	8,908,300	10,057,000	9,930,100
359.64 Secure Female Facility	-	1,808,200	2,833,100
359.65 Community Treatment Facilities	7,057,400	7,163,100	7,006,600
359.70 Tennessee Preparatory School	4,424,700	1,846,100	1,664,100
359.80 Major Maintenance	424,000	420,100	420,100
359.00 Subtotal Children's Services	252,580,800	263,196,500	260,856,000

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2002-2003, 2003-2004, and 2004-2005

Program	Actual Expenditures 2002-2003 *	Estimated 2003-2004	Recommended 2004-2005
Subtotal General Fund and Education Fund	<u>7,679,753,600</u>	<u>8,121,455,600</u>	<u>8,764,541,000</u>
Transportation	783,425,000 **	622,850,000	638,400,000
Debt Service Requirements	207,852,700	228,163,000	246,782,000
Capital Outlay Program	98,606,000 **	27,497,000	45,200,000
Facilities Revolving Fund	334,500	321,600	321,600
Cities and Counties - State Shared Taxes	654,591,300	646,200,000	665,300,000
Grand Total State Taxpayers Budget	<u>9,424,563,100</u>	<u>9,646,487,200</u>	<u>10,360,544,600</u>
Dedicated Tax Sources - Appropriation	233,979,600	277,992,500	294,562,300
Grand Total State Appropriation - Budget Document	<u>9,658,542,700</u>	<u>9,924,479,700</u>	<u>10,655,106,900</u>

* FY 2002-2003 is actual expenditures from appropriations, except as noted.

** FY 2002-2003 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

State Taxpayers Budget
Comparison Statement of State Revenues
Actual and Estimated July 1, 2002 - June 30, 2005

SOURCE OF REVENUE

Department of Revenue	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005	Percent Required
Sales and Use Tax	\$5,458,227,200	\$5,770,900,000	\$6,059,400,000	5.00%
Gasoline Tax	602,346,800	606,900,000	617,600,000	1.76%
Motor Fuel Tax	155,409,200	161,000,000	167,400,000	3.98%
Gasoline Inspection Tax	43,821,400	44,032,900	46,663,400	5.97%
Motor Vehicle Registration Tax	221,914,800	229,119,200	239,879,200	4.70%
Income Tax	115,852,100	120,000,000	126,000,000	5.00%
Privilege Tax	200,873,700	222,709,600	226,909,600	1.89%
Gross Receipts Tax - TVA	198,502,100	202,700,000	204,700,000	0.99%
Gross Receipts Tax - Other	18,134,400	19,000,000	23,000,000	21.05%
Beer Tax	17,063,700	18,100,000	18,500,000	2.21%
Alcoholic Beverage Tax	34,059,200	36,000,000	36,900,000	2.50%
Franchise Tax	475,984,400	474,600,000	484,100,000	2.00%
Excise Tax	595,715,300	594,000,000	605,900,000	2.00%
Inheritance and Estate Tax	83,148,300	85,000,000	75,000,000	-11.76%
Tobacco Tax	114,716,900	115,600,000	115,000,000	-0.52%
Motor Vehicle Title Fees	10,978,300	11,100,000	11,300,000	1.80%
Mixed Drink Tax	38,422,300	40,400,000	42,000,000	3.96%
Business Tax	40,481,500	92,000,000	97,000,000	5.43%
Severance Tax	1,073,900	1,100,000	1,100,000	0.00%
Coin-operated Amusement Tax	441,500	1,300,000	1,300,000	0.00%
Total Department of Revenue	\$8,427,167,000	\$8,845,561,700	\$9,199,652,200	4.00%
Other State Revenue				
Department of Commerce and Insurance	\$340,440,100	\$347,304,100	\$350,604,100	0.95%
Secretary of State	16,800,200	16,800,000	16,800,000	0.00%
Department of Safety	35,659,800	35,723,500	35,697,600	-0.07%
State Treasurer	8,814,700	10,000,000	10,000,000	0.00%
Dept. of Environment and Conservation	42,500	25,000	25,000	0.00%
Miscellaneous Revenue	24,536,100	18,100,000	18,100,000	0.00%
Nursing Home Tax	101,700,000	101,700,000	101,700,000	0.00%
Total Other State Revenue	\$527,993,400	\$529,652,600	\$532,926,700	0.62%
Total State Revenue	\$8,955,160,400	\$9,375,214,300	\$9,732,578,900	3.81%

**State Taxpayers Budget
Distribution of Actual Revenue by Fund
Fiscal Year 2002-2003**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$5,458,227,200	\$2,050,057,200	\$3,160,075,600	\$0	\$39,069,100	\$209,025,300
Gasoline Tax	602,346,800	9,150,900	0	286,279,700	77,000,000	229,916,200
Motor Fuel Tax	155,409,200	2,946,500	0	111,709,700	0	40,753,000
Gasoline Inspection Tax	43,821,400	636,100	0	31,168,300	0	12,017,000
Motor Vehicle Registration Tax	221,914,800	36,711,000	238,400	184,965,400	0	0
Income Tax	115,852,100	76,870,900	0	0	0	38,981,200
Privilege Tax	200,873,700	200,760,900	112,800	0	0	0
Gross Receipts Tax - TVA	198,502,100	120,589,300	0	0	0	77,912,800
Gross Receipts Tax - Other	18,134,400	16,054,700	0	2,079,700	0	0
Beer Tax	17,063,700	11,428,700	0	2,140,800	0	3,494,200
Alcoholic Beverage Tax	34,059,200	28,171,800	0	0	0	5,887,400
Franchise Tax	475,984,400	457,984,400	0	0	18,000,000	0
Excise Tax	595,715,300	487,213,700	0	0	91,239,000	17,262,600
Inheritance and Estate Tax	83,148,300	83,148,300	0	0	0	0
Tobacco Tax	114,716,900	622,400	114,094,500	0	0	0
Motor Vehicle Title Fees	10,978,300	8,386,500	0	0	2,591,800	0
Mixed Drink Tax	38,422,300	1,208,600	18,612,500	0	0	18,601,200
Business Tax	40,481,500	40,481,500	0	0	0	0
Severance Tax	1,073,900	333,500	0	0	0	740,400
Coin-operated Amusement Tax	441,500	441,500	0	0	0	0
Total Department of Revenue	\$8,427,167,000	\$3,633,198,400	\$3,293,133,800	\$618,343,600	\$227,899,900	\$654,591,300
Other State Revenue						
Department of Commerce and Insurance	\$340,440,100	\$340,440,100	\$0	\$0	\$0	\$0
Secretary of State	16,800,200	16,800,200	0	0	0	0
Department of Safety	35,659,800	35,659,800	0	0	0	0
State Treasurer	8,814,700	8,814,700	0	0	0	0
Dept. of Environment and Conservation	42,500	42,500	0	0	0	0
Miscellaneous Revenue	24,536,100	24,536,100	0	0	0	0
Nursing Home Tax	101,700,000	101,700,000	0	0	0	0
Total Other State Revenue	\$527,993,400	\$527,993,400	\$0	\$0	\$0	\$0
Total State Revenue	\$8,955,160,400	\$4,161,191,800	\$3,293,133,800	\$618,343,600	\$227,899,900	\$654,591,300

State Taxpayers Budget
Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2003-2004

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$5,770,900,000	\$2,137,400,000	\$3,383,000,000	\$0	\$41,900,000	\$208,600,000
Gasoline Tax	606,900,000	10,100,000	0	291,200,000	74,000,000	231,600,000
Motor Fuel Tax	161,000,000	3,000,000	0	115,700,000	0	42,300,000
Gasoline Inspection Tax	44,032,900	32,900	0	32,000,000	0	12,000,000
Motor Vehicle Registration Tax	229,119,200	38,219,200	200,000	190,700,000	0	0
Income Tax	120,000,000	92,400,000	0	0	0	27,600,000
Privilege Tax	222,709,600	222,709,600	0	0	0	0
Gross Receipts Tax - TVA	202,700,000	122,500,000	0	0	0	80,200,000
Gross Receipts Tax - Other	19,000,000	16,400,000	0	2,600,000	0	0
Beer Tax	18,100,000	13,000,000	0	2,100,000	0	3,000,000
Alcoholic Beverage Tax	36,000,000	30,900,000	0	0	0	5,100,000
Franchise Tax	474,600,000	456,600,000	0	0	18,000,000	0
Excise Tax	594,000,000	491,300,000	0	0	85,400,000	17,300,000
Inheritance and Estate Tax	85,000,000	85,000,000	0	0	0	0
Tobacco Tax	115,600,000	700,000	114,900,000	0	0	0
Motor Vehicle Title Fees	11,100,000	8,400,000	0	0	2,700,000	0
Mixed Drink Tax	40,400,000	3,100,000	19,500,000	0	0	17,800,000
Business Tax	92,000,000	92,000,000	0	0	0	0
Severance Tax	1,100,000	400,000	0	0	0	700,000
Coin-operated Amusement Tax	1,300,000	1,300,000	0	0	0	0
Total Department of Revenue	\$8,845,561,700	\$3,825,461,700	\$3,517,600,000	\$634,300,000	\$222,000,000	\$646,200,000
Other State Revenue						
Department of Commerce and Insurance	\$347,304,100	\$347,304,100	\$0	\$0	\$0	\$0
Secretary of State	16,800,000	16,800,000	0	0	0	0
Department of Safety	35,723,500	35,723,500	0	0	0	0
State Treasurer	10,000,000	10,000,000	0	0	0	0
Dept. of Environment and Conservation	25,000	25,000	0	0	0	0
Miscellaneous Revenue	18,100,000	18,100,000	0	0	0	0
Nursing Home Tax	101,700,000	101,700,000	0	0	0	0
Total Other State Revenue	\$529,652,600	\$529,652,600	\$0	\$0	\$0	\$0
Total State Revenue	\$9,375,214,300	\$4,355,114,300	\$3,517,600,000	\$634,300,000	\$222,000,000	\$646,200,000

**State Taxpayers Budget
Distribution of Estimated Revenue by Fund
Fiscal Year 2004-2005**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$6,059,400,000	\$2,244,200,000	\$3,552,100,000	\$0	\$44,000,000	\$219,100,000
Gasoline Tax	617,600,000	10,300,000	0	297,900,000	74,000,000	235,400,000
Motor Fuel Tax	167,400,000	3,200,000	0	120,300,000	0	43,900,000
Gasoline Inspection Tax	46,663,400	1,663,400	0	33,000,000	0	12,000,000
Motor Vehicle Registration Tax	239,879,200	45,679,200	300,000	193,900,000	0	0
Income Tax	126,000,000	97,000,000	0	0	0	29,000,000
Privilege Tax	226,909,600	226,909,600	0	0	0	0
Gross Receipts Tax - TVA	204,700,000	123,500,000	0	0	0	81,200,000
Gross Receipts Tax - Other	23,000,000	19,900,000	0	3,100,000	0	0
Beer Tax	18,500,000	13,300,000	0	2,200,000	0	3,000,000
Alcoholic Beverage Tax	36,900,000	31,700,000	0	0	0	5,200,000
Franchise Tax	484,100,000	466,100,000	0	0	18,000,000	0
Excise Tax	605,900,000	485,100,000	0	0	103,500,000	17,300,000
Inheritance and Estate Tax	75,000,000	75,000,000	0	0	0	0
Tobacco Tax	115,000,000	700,000	114,300,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	42,000,000	3,200,000	20,300,000	0	0	18,500,000
Business Tax	97,000,000	97,000,000	0	0	0	0
Severance Tax	1,100,000	400,000	0	0	0	700,000
Coin-operated Amusement Tax	1,300,000	1,300,000	0	0	0	0
Total Department of Revenue	\$9,199,652,200	\$3,954,752,200	\$3,687,000,000	\$650,400,000	\$242,200,000	\$665,300,000
Other State Revenue						
Department of Commerce and Insurance	\$350,604,100	\$350,604,100	\$0	\$0	\$0	\$0
Secretary of State	16,800,000	16,800,000	0	0	0	0
Department of Safety	35,697,600	35,697,600	0	0	0	0
State Treasurer	10,000,000	10,000,000	0	0	0	0
Dept. of Environment and Conservation	25,000	25,000	0	0	0	0
Miscellaneous Revenue	18,100,000	18,100,000	0	0	0	0
Nursing Home Tax	101,700,000	101,700,000	0	0	0	0
Total Other State Revenue	\$532,926,700	\$532,926,700	\$0	\$0	\$0	\$0
Total State Revenue	\$9,732,578,900	\$4,487,678,900	\$3,687,000,000	\$650,400,000	\$242,200,000	\$665,300,000

Performance-Based Budget

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Performance-Based Budget

The Governmental Accountability Act was enacted by Chapter 875 of the Public Acts of 2002 (codified at Tennessee Code Annotated, Title 9, Chapter 4, Part 56, and in some sections of budget law at Part 51).

The Accountability Act requires the phase-in of strategic planning and performance-based budgeting. The law requires that at least three agencies be included in performance-based budgeting in fiscal year 2004-2005 and that all agencies be phased in by fiscal year 2011-2012.

The first four performance-based agencies are the departments of Revenue, Safety, Environment and Conservation, and Human Services. The following chart indicates the participants in the budgetary process and an approximate time schedule.

Function	Participants	Schedule
Preparation of Strategic Plans	Departments and Agencies Budget Division	April May June
Planning and Estimation	Budget Division Departments and Agencies	July August September
Preparation of the Budget	Budget Division	October November December January
Legislative Deliberation	General Assembly	February-May
Budget Execution	Budget Division Legislative Committees Departments and Agencies	June-July
Legislative Review	Departments and Agencies Commissioner of F&A Governmental Accountability Commission Finance Committees	Following Year January-May
Performance Review	Comptroller of the Treasury	Following Year July-June

Preparation of Strategic Plans

Each agency submitting a performance-based budget has also submitted a strategic plan. Each spring, the staff of the Division of Budget issues guidelines to state agencies regarding the strategic planning process. The guidelines are based on the requirements of the Governmental Accountability Act and provide direction as to the content and format of the strategic plans. After the plans are submitted to the Commissioner of Finance and Administration, the Commissioner is authorized to review, revise, and approve strategic plans and program performance standards and measures. The Commissioner of Finance and Administration has the responsibility to evaluate the validity, reliability, and appropriateness of each performance measure and standard and how the strategic plan and the performance measures are used in management decision-making and other agency processes.

The Commissioner of Finance and Administration must submit the “Agency Strategic Plans” document to the Governor and the General Assembly by September 1.

Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their budget requests to the Division of Budget.

Budget law, as amended by the 2002 Governmental Accountability Act, directs that, in addition to performance measures and standards, certain other performance-based budget information be included in agency budget requests. This includes identification of program clients, the purpose of each program or client benefits, program costs and funding sources, fee

collections and the adequacy of fees to support the program, assessment of whether each program is conducive to performance-based budgeting, and assessment of the time needed to develop meaningful performance measures.

Preparation of the Budget

The Governmental Accountability Act amended budget law to require that performance-based budgeting agencies include in budget requests the program performance standards and measures, as reviewed and revised by the Commissioner of Finance and Administration. These standards and measures are the ones included in the Agency Strategic Plans document. After budget requests are submitted, the program performance measures, along with other strategic plan and budget request information, will assist staff of the Budget Division in analyzing agency budget requests.

In reviewing budget requests and transmitting the budget document to the General Assembly, the Governor, with assistance of the Commissioner of Finance and Administration, may revise, add, or delete performance measures and standards as the Governor deems necessary.

Legislative Deliberation

The General Assembly retains authority for final approval of performance standards and measures through the general appropriations act.

Performance-Based Budget Execution

When passage of the appropriations bill is complete and it is signed or enacted into law, the execution of agency performance-based budgets begins.

Annually, at the time the enacted budget (called the “work program” in budget law) is established, agencies may request adjustments to the performance measures and standards, based on changes in the program appropriations during the enactment of the general appropriations act. These adjustments require the approval of

the Commissioner of Finance and Administration, who must maintain the official record of adjustments and must report adjustments to the chairmen of the Senate and House Finance, Ways and Means committees. The law provides that agencies themselves may not change the performance measures.

During the fiscal year, modifications to program performance standards and measures are allowed if an agency is required to modify its operations because of (a) court action resulting in a restraining order, injunction, consent decree, or final judgement; (b) law or executive order; and (c) additional federal or other funding.

All adjustments to performance standards and measures during the year also are subject to approval of the Commissioner of Finance and Administration, who must report the changes to the chairmen of the Senate and House Finance, Ways and Means committees.

As enacted in 2002, the Governmental Accountability Act continues the Tennessee tradition of strong Executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong Executive budget development and budget management responsibility, begun with the budget law of 1937. At the same time, the 2002 act continues the prerogative of the General Assembly to alter agency plans and Executive recommendations through the Appropriations Act and to alter policy and exert oversight through the Legislative and performance review processes.

Legislative Review

The General Assembly has final approval of all strategic plans, performance measures and standards through the General Appropriations Act.

Beginning in fiscal year 2005-2006, the Commissioner of Finance and Administration must evaluate annually each performance-based agency’s compliance with its strategic plan and performance measures and report to the Finance, Ways and Means committees of the Senate and

Performance-Based Budget

House of Representatives on this subject. The report is to be made at a time that will allow the finance committees to consider the performance report while they are considering the General Appropriations Bill.

To further assist the General Assembly in review of agency performance, the 2002 public act created the Governmental Accountability Commission. It is comprised of officials who hold office by legislative appointment. They are the Comptroller of the Treasury, who serves as chairman; the Executive Director of the Fiscal Review Committee, vice chairman; and the Director of the Office of Legislative Budget Analysis, who serves as secretary of the commission.

Following the performance report by the Commissioner of Finance and Administration, the Governmental Accountability Commission is to review the commissioner's report and submit to the finance committees its written comments on the commissioner's report. The Accountability Commission also may make recommendations to the finance committees on the performance of agencies, the reasonableness of performance standards and measures recommended in the budget document for the performance-based agencies, and on other strategic plan and program performance matters.

Comptroller's Performance Review

Aside from executive and legislative review of agency strategic plans and pro-

gram performance, the 2002 public act provides that each state agency is subject to performance review of its activities by the Comptroller of the Treasury. This provision grants discretion to the Comptroller to determine the matters to be reviewed related to the manner in which the state agency is delivering services and achieving objectives. This performance review, according to the law, will at least include consideration of the efficient use of state and federal funds, additional non-state revenue or cost savings that could be achieved, and the extent that strategic plan objectives are achieved.

The Budget Document

Performance-based budget recommendations for program funding and performance of four state departments follows. Because this is a transitional year for this budget presentation and because few agencies are involved, the funding recommendations duplicate funding information included later in this document, in the "Program Statements by Functional Area" section. However, more detailed program statements and performance standards and measures appear in this "Performance-Based Budget" section. The General Appropriations Bill as introduced will incorporate these standards and measures by reference to the Budget Document.

In future years, the Performance-Based Budget will include additional agencies as they are phased in.

Department of Environment and Conservation

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee's air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee's natural and cultural resources; and providing a variety of quality recreational experiences.

Program Improvements - For information on recommended program improvements, see page B-300.

<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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327.01 Administrative Services

Administration provides overall policy management and support services, including fiscal services, human resources, information systems, internal audit, legal services, planning and public information to all areas of the department. The program also publishes The Tennessee Conservationist Magazine, which features professional photography and articles highlighting conservation and environmental activities.

Full-Time	190	199	199	0	199
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	190	199	199	0	199
Payroll	8,007,300	10,233,000	10,233,000	0	10,233,000
Operational	4,544,400	1,896,000	1,867,900	0	1,867,900
Total	\$12,551,700	\$12,129,000	\$12,100,900	\$0	\$12,100,900
State	5,414,400	5,144,500	4,859,900	0	4,859,900
Federal	3,285,000	2,076,500	2,076,500	0	2,076,500
Other	3,852,300	4,908,000	5,164,500	0	5,164,500

Performance Information:

Standard: Increase magazine revenues and donations to reduce the level of state required funding.

Measure: Percentage of magazine costs funded by state funds.

40%	35%	30%	0	30%
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Standard: Conduct an evaluation of the records management system and retention policy for each program area. This will allow potential reductions in space to be identified, which could result in cost savings.

Measure: Percent of on-site records reduced by following records management policies and procedures. [Records on hand as of July 1, 2002 were 35,994 cubic feet.]

3%	10%	15%	0	15%
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Standard: Train and assist state parks to maximize the cost savings resulting from the purchasing flexibility established by Public Chapter 407 of the Public Acts of 2001.

Measure: Cost savings resulting from state parks purchasing flexibility.

\$18,000	\$50,000	\$100,000	0	\$100,000
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Standard: Implement state payment card program as a cost-effective means of paying for state purchases.

Measure: Cost savings resulting from implementation of state payment cards for purchases.

	\$7,000	\$75,000	\$200,000	0	\$200,000
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327.03 Recreation Educational Services

Recreation Educational Services assists public recreation providers and promotes recreation development through grants, technical assistance, and monitoring of local and state planning efforts. Specifically, the program houses the Parks and Recreation Technical Advisory Service (PARTAS) to specifically assist county and municipal governments and other recreation providers.

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	464,000	590,800	612,500	0	612,500
Operational	637,400	4,375,600	4,333,900	0	4,333,900
Total	\$1,101,400	\$4,966,400	\$4,946,400	\$0	\$4,946,400
State	544,900	602,000	507,000	0	507,000
Federal	527,900	4,304,400	4,417,400	0	4,417,400
Other	28,600	60,000	22,000	0	22,000

Performance Information:

Standard: Increase the number of counties who will have a local, state or federal trail or greenway system. (Based on 50 of the 95 counties who have initiated a greenway or trail system.)

Measure: Number of counties that have added a greenway or trail system.

	50	55	63	0	63
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Standard: Increase the number of local government entities that will develop or update a written recreation plan. (Based on 415 of the 445 local government entities that do not have a current written plan.)

Measure: Number of local government entities that have developed or updated a written recreation plan. (Base year number is 30 out of 445.)

	30	33	42	0	42
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Standard: Increase the number of counties who will create an organized park and recreation delivery system. (Based on 29 of 95 counties that are un-served.)

Measure: Number of counties served by the creation of a park and recreation delivery system. (Base year number 66.)

	66	69	75	0	75
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327.04 Historical Commission

The Tennessee Historical Commission (THC) is mandated to administer state historic sites, place historical markers that denote important locations, persons, and events; assist in publication projects; and promote preservation and interpretation of structures, buildings, sites, and battlefields. The commission implements the National Historic Preservation Act.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	595,700	679,300	679,300	0	679,300
Operational	1,170,900	1,315,100	1,313,600	40,000	1,353,600
Total	\$1,766,600	\$1,994,400	\$1,992,900	\$40,000	\$2,032,900
State	1,223,000	1,364,300	1,362,800	40,000	1,402,800
Federal	500,300	625,100	625,100	0	625,100
Other	43,300	5,000	5,000	0	5,000

Performance Information:

Standard: Commemorate persons, places, and events significant in Tennessee history by marking such sites with appropriate historical markers.

Measure: Number of historical markers placed throughout the state.

20	20	20	0	20
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Standard: Survey and add properties to the National Register of Historic Places.

Measure: Number of properties added to the National Register of Historic Places.

1,431	400	500	0	500
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Standard: Review projects to ensure they are in compliance with the National Historic Preservation Act of 1966 as amended.

Measure: Number of review and compliance projects reviewed within 30-calendar days from date of formal receipt.

1,846	1,091	1,958	0	1,958
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327.06 Land and Water Conservation Fund

The Land and Water Conservation Fund (LWCF) was enacted "...to assist in preserving, developing and assuring accessibility to...present and future generations...outdoor recreation resources...for individual active participation." Grants provide opportunities to receive 50% matching funds in accordance with currently established state/federal policy. Contracts require that projects be started within 180 days of executed contract.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,300	750,000	750,000	0	750,000
Total	\$10,300	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	10,300	750,000	750,000	0	750,000
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Provide periodic inspections of Land and Water Conservation Fund grant projects to assist with achieving a high level of project completion rate within the three-year contract period.

Measure: Percentage of projects completed within three-year grant contract where final inspections verify that final reimbursement can be made.

70%	80%	90%	0	90%
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327.08 Archaeology

The Archaeology program is authorized to initiate, operate and maintain a state-wide program that shall include archaeological surveying, excavation, research, publication of findings, custodianship of artifacts, and education programs. The state is also required to review all federal undertakings to determine their effect on archaeological sites. The program is a primary source of information and advice on archaeological matter for the public, professional archaeologists, museums, state agencies, law enforcement agencies and the private development community.

Full-Time	12	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	6	6	6	0	6
Total	18	15	15	0	15
Payroll	557,800	529,900	529,900	0	529,900
Operational	109,100	258,600	249,500	0	249,500
Total	\$666,900	\$788,500	\$779,400	\$0	\$779,400
State	546,100	620,900	611,800	0	611,800
Federal	0	0	0	0	0
Other	120,800	167,600	167,600	0	167,600

Performance Information:

Standard: Respond to all requests for opinions, recommendations, site visits, and archaeological information within 30 days.

Measure: Number of responses made to external requests for opinions, site visits, and information.

6,500	7,000	7,000	0	7,000
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Standard: Conduct at least two archaeological preservation training and outreach programs each month for various sectors of the public.

Measure: Number of training and outreach programs given.

18	24	30	0	30
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327.11 Geology

The Geology program maps and identifies mineral resources, geology, and geological hazards across the state. It also serves as a clearinghouse for geological information. Study results are published and distributed in the form of maps and reports. The program maps mineral deposits including coal, oil and gas and maintains production records for oil and gas wells. The program is a primary source of information, advice, and education about Tennessee's geology, mineral resources, geological hazards, and oil and gas activity for the public, schools, professional geologists, state and federal agencies, environmental regulators and industries.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	23	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	20	20	0	20
Payroll	1,038,200	955,700	981,300	0	981,300
Operational	350,800	388,600	336,800	0	336,800
Total	\$1,389,000	\$1,344,300	\$1,318,100	\$0	\$1,318,100
State	1,285,900	1,188,700	1,162,500	0	1,162,500
Federal	19,300	81,100	81,100	0	81,100
Other	83,800	74,500	74,500	0	74,500

Performance Information:

Standard: Systematically map 7-1/2 minute topographic quadrangles in order to publish corresponding geologic maps, environmental maps, and accompanying mineral resource summaries.

Measure: Number of geologic maps and mineral resource summaries published.

2	4	5	0	5
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Standard: Perform required inspections on well construction, cementing surface casing, plugging and site reclamation.

Measure: Percent of required inspections performed.

65%	90%	100%	0	100%
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Standard: Properly plug and reclaim abandoned wells.

Measure: Number of abandoned wells plugged and reclaimed.

0	40	40	0	40
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327.12 Tennessee State Parks

The Tennessee State Parks program preserves and protects some of the most significant natural and cultural resources in the state. Over 26 million people visit Tennessee state parks each year. Tennessee State Parks administers over 75 natural, cultural, and recreation areas, providing public access to a wide mix of programs and services. The parks system can be broken down into two basic service areas: natural, cultural, and traditional parks; and resort parks.

Full-Time	988	975	943	0	943
Part-Time	182	181	176	0	176
Seasonal	580	577	514	0	514
Total	1,750	1,733	1,633	0	1,633
Payroll	32,137,600	36,432,600	35,390,900	0	35,390,900
Operational	22,488,600	27,760,200	25,393,400	0	25,393,400
Total	\$54,626,200	\$64,192,800	\$60,784,300	\$0	\$60,784,300
State	25,827,700	30,682,200	28,967,000	0	28,967,000
Federal	30,700	0	0	0	0
Other	28,767,800	33,510,600	31,817,300	0	31,817,300

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Preserve and protect Tennessee's natural and cultural resources.

Measure: Number of state parks evaluated and resource management plans developed to protect natural and cultural resources.

5	15	53	0	53
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Standard: Improve self-sufficiency in state parks resort facilities.

Measure: Percentage of operational self-sufficiency at all Tennessee State Parks resort facilities (cabins, inns, restaurants, golf courses, gift shops and marinas).

88%	91%	94%	0	94%
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Standard: Maximize the use of volunteers and increase the number of "Friends of State Park" groups that have become vital components of state park systems nationwide.

Measure: Number of state parks utilizing a volunteer program and/or "Friends" organization.

22	22	30	0	30
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Standard: Improve the occupancy in the resort facilities (inns and cabins) of Tennessee State Parks.

Measure: Increase occupancy rate in the resort facilities (inns and cabins) of Tennessee State Parks.

42.5%	46.5%	50.0%	0	50.0%
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327.14 Natural Heritage

The Natural Heritage program seeks to restore and conserve Tennessee's natural biological diversity by gathering and analyzing statewide natural resource information and distributing it to internal and external customers. It accomplishes this goal by establishing and operating a comprehensive system of natural areas and scenic rivers throughout the state. The program also ensures that rare plants in Tennessee are conserved by, among other activities: conducting studies on the status and distribution of rare plants and establishing a state list of endangered, threatened, and special concern species. The program is also involved in registering and permitting ginseng dealers who purchase ginseng collected in Tennessee.

Full-Time	14	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	15	14	14	0	14
Payroll	597,500	611,900	641,000	0	641,000
Operational	400,200	450,100	411,100	0	411,100
Total	\$997,700	\$1,062,000	\$1,052,100	\$0	\$1,052,100
State	720,100	678,200	668,300	0	668,300
Federal	177,100	261,300	261,300	0	261,300
Other	100,500	122,500	122,500	0	122,500

<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Protect and preserve Tennessee's biological diversity of plant life.

Measure: Percent of targeted rare plant species (S1 and S2) with a minimum of at least one protected population in at least one state natural area and/or state scenic river. (Note that some species occur in both natural areas and rivers).

25% (116 species) 27% (125 species) 30% (135 species) 0 30% (135 species)

Standard: Protect and preserve Tennessee's biological diversity of animal life.

Measure: Percent of targeted rare animal species (S1 and S2) with a minimum of at least one protected population in at least one state natural area and/or state scenic river. (Note that some species occur in both natural areas and rivers).

19% (79 species) 22% (90 species) 24% (100 species) 0 24% (100 species)

Standard: Protect and preserve Tennessee's natural biological diversity of terrestrial and aquatic ecological systems.

Measure: Percent of the 25 targeted ecoregions with at least one state natural area for each 5% of the state covered by each ecoregion.

80% (20 total) 88% (22 total) 96% (24 total) 0 96% (24 total)

Standard: Protect and preserve Tennessee's natural biological diversity of riverine systems.

Measure: Percent of the 11 targeted watersheds with at least one scenic river.

73% (8 total) 73% (8 total) 82% (9 total) 0 82% (9 total)

327.15 State Parks Maintenance

The State Parks Maintenance program conducts major maintenance and capital project development for all state parks. Annual Facility Assessment Surveys identify major maintenance items to be included in an annual work program. Capital projects are identified by October 1 of each year.

Full-Time	31	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	29	29	0	29
Payroll	1,241,100	1,358,600	1,386,300	0	1,386,300
Operational	3,801,000	4,064,800	3,533,500	0	3,533,500
Total	\$5,042,100	\$5,423,400	\$4,919,800	\$0	\$4,919,800
State	3,616,400	3,073,800	3,070,200	0	3,070,200
Federal	0	1,315,000	1,315,000	0	1,315,000
Other	1,425,700	1,034,600	534,600	0	534,600

Performance Information:

Standard: Facility Assessment Surveys and the associated Major Maintenance Work Program will be completed prior to the beginning of each fiscal year.

Measure: Percentage of park facilities assessed and all major maintenance items identified prior to the beginning of each fiscal year.

94% 96% 98% 0 98%

<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Standard: Develop capital projects to meet low maintenance and resource efficiency standards.

Measure: Percentage of funded capital projects developed that meet low maintenance and resource efficiency standards.

60%	70%	90%	0	90%
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327.17 Elk River Resource Management

The Elk River Resource Management program addresses the preservation and disposition of 6,400 acres of land formerly owned by the Tennessee Valley Authority and the Tennessee Elk River Development Agency. The Tims Ford Land Reservoir Land Management and Disposition plan lays out how this process shall proceed between the state and the Tennessee Valley Authority. The department is required to dispose of all remaining properties as expeditiously as practical and lawful. If the department sells or leases any land or any property is transferred, the proceeds of such sales or leases shall be distributed to the department and to the ten counties in the Elk River watershed.

Full-Time	5	5	5	0	5
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	185,900	198,200	198,200	0	198,200
Operational	252,800	913,600	913,000	0	913,000
Total	\$438,700	\$1,111,800	\$1,111,200	\$0	\$1,111,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	438,700	1,111,800	1,111,200	0	1,111,200

Performance Information:

Standard: Sell the residential lands in accordance with conservation development principles resulting in the conservation and protection of the parcel's natural resources. (Total acreage to be sold is approximately 609 acres.)

Measure: Percent of acres sold for residential development that complies with the department's conservation development requirements (as contained in the department's Request for Proposals).

0%	29%	51%	0	51%
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327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites, currently including some 100 buildings and 250 acres valued at approximately \$12.5 million, are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the commission and non-profit organizations and associations. This program does not include other state-owned historic sites characterized as parks or other state facilities with historic characteristics.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	381,000	313,000	185,000	0	185,000
Total	\$381,000	\$313,000	\$185,000	\$0	\$185,000
State	200,000	185,000	185,000	0	185,000
Federal	0	0	0	0	0
Other	181,000	128,000	0	0	0

Performance Information:

Standard: Maintain the 17 state-owned historic sites according to historic preservation standards for visitation by the public.

Measure: Number of state-owned sites where maintenance projects are undertaken during the year.

17	15	17	0	17
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327.19 Local Parks Acquisition Fund

The Local Parks Acquisition Fund is administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency. The fund is used for grants to county and municipal governments for the purchase of land for parks, natural areas, greenways, and for the purchase of land for recreation facilities. Grantees must match the grant with an equal amount of money for each project.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	931,500	765,600	0	2,187,500	2,187,500
Total	\$931,500	\$765,600	\$0	\$2,187,500	\$2,187,500
State	759,600	765,600	0	2,187,500	2,187,500
Federal	0	0	0	0	0
Other	171,900	0	0	0	0

Performance Information:

Standard: Provide periodic inspections of Local Parks and Recreation Fund grants to assist with achieving a high level of project completion rate within the three-year contract period.

Measure: Percent of projects completed within three-year grant contract where final inspections verify that final reimbursement can be made.

70%	80%	90%	0	90%
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund is administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency. The program is a key source of funds used in the acquisition of land for natural and/or historic public lands or new public lands. Funding supports trail construction to expand recreation services at these sites and historic preservation of old theatres. Once eligible acquisitions have been identified by the participating agencies, funds are drawn down from the State Lands Acquisition Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,144,400	656,300	0	1,875,000	1,875,000
Total	\$1,144,400	\$656,300	\$0	\$1,875,000	\$1,875,000
State	420,000	656,300	0	1,875,000	1,875,000
Federal	644,400	0	0	0	0
Other	80,000	0	0	0	0

Performance Information:

Standard: Identify and rank eligible state land acquisition projects by participating agencies for future funding.

Measure: Number of eligible state land acquisition projects identified and ranked.

5	10	20	0	20
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Standard: Complete acquisition of State Building Commission approved projects within one year.

Measure: Percentage of State Building Commission approved projects where the acquisition is completed within one year.

40%	50%	75%	0	75%
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327.22 State Lands Compensation Fund

The funds for this program come from the State Lands Acquisition Fund (allotment code 327.20) and are used to reimburse local governments for lost property taxes resulting from the purchase of land by the state, rendering the land tax exempt. The department is notified each year by the Department of Finance and Administration as to who and how much to pay.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	39,000	40,000	40,000	0	40,000
Total	\$39,000	\$40,000	\$40,000	\$0	\$40,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	39,000	40,000	40,000	0	40,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Make payment of State Lands Compensation Fund money within a 90-day period of time upon receipt of notification from the Department of Finance and Administration.

Measure: Percent of funds to local governments within 90 days of notification from the Department of Finance and Administration.

Not Available	100%	100%	0	100%
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327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil and the inspection of used oil facilities by the Division of Solid Waste Management. The program provides technical and financial assistance to local governments and private agencies that become used oil collection centers. The program also provides general information to the public concerning proper disposal of oil, location of oil disposal facilities and other information pertinent to the proper handling of oil.

Full-Time	3	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	4	4	0	4
Payroll	120,100	206,900	206,900	0	206,900
Operational	227,700	1,299,400	1,299,400	0	1,299,400
Total	\$347,800	\$1,506,300	\$1,506,300	\$0	\$1,506,300
State	273,800	1,272,300	1,272,300	0	1,272,300
Federal	0	0	0	0	0
Other	74,000	234,000	234,000	0	234,000

Performance Information:

Standard: Inspect used oil management practices at 40% of large and small quantity hazardous waste generators inspected.

[This is included in the Division of Solid Waste Management's annual program grant commitment to EPA.]

Measure: Number of used oil facilities to be inspected to assure compliance with used oil management practices.

71	71	71	0	71
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327.24 West Tennessee River Basin Authority Maintenance

The West Tennessee River Basin Authority Maintenance program represents the core of the Authority's mission. Maintenance funds ensure the rivers, flood control dams and other structures and other projects operate safely and efficiently to provide intended services to the public. Program maintenance also contributes significantly to limiting the liability of the State of Tennessee in regard to the failure of man-made structures in which the state operates.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	77,100	575,000	500,000	0	500,000
Total	\$77,100	\$575,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	77,100	75,000	0	0	0

Performance Information:

Standard: Perform major maintenance, as necessary, on the Basin Authority's 120 flood control and sediment retention structures.

Measure: Number of major maintenance projects completed on flood control/sediment retention structures.

0	3	4	0	4
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Standard: Complete reviews of mitigation plans that identify sources of excess sediments and define potential solutions and alternative actions resulting in long term economic and environmental benefits.

Measure: Number of completed mitigation plans.

1	1	1	0	1
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327.26 West Tennessee River Basin Authority

The West Tennessee River Basin Authority, administratively attached to the Department of Environment and Conservation and governed by a Board of Directors, operates in select portions of West Tennessee. The statutory mission of the authority is to preserve the natural flow and function of the Hatchie, Obion, and Forked Deer River Basins. Services include: environmentally sensitive stream maintenance in the Forked Deer, Hatchie, and Obion River Basins; maintenance on 120 flood control/sediment retention structures; collection of timber easements prior to initiating work in the Obion-Forked Deer River Basin; and restoration in a self-sustaining manner, natural stream and flood-plain controls.

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	623,100	670,100	670,100	0	670,100
Operational	330,000	331,700	329,000	0	329,000
Total	\$953,100	\$1,001,800	\$999,100	\$0	\$999,100
State	612,200	709,400	707,300	0	707,300
Federal	0	0	0	0	0
Other	340,900	292,400	291,800	0	291,800

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Perform minor maintenance on the Basin Authority's 120 flood control and sediment retention structures.

Measure: Number of structures on which required minor maintenance on flood control/sediment retention was performed.

	40	40	40	0	40
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Standard: Perform annual inspections on 35 grade control and bridge protection structures.

Measure: Number of inspections for complete annual grade control structure.

	0	35	35	0	35
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Standard: Prioritize and perform Environmentally Sensitive Stream Maintenance (ESSM) with amphibious equipment on an as-needed basis.

Measure: Number of hours to prioritize and perform ESSM with amphibious equipment.

	Not available	700	800	0	800
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Standard: Procure and record timber easements prior to initiating work on the north fork of the South Fork Forked Deer River.

Measure: Number of acres procured and recorded of timber easements in accordance with Agreed Order #78-2548-H.

	2,745	1,100	3,000	0	3,000
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327.28 Tennessee Dry Cleaners Environmental Response Fund

The Tennessee Dry Cleaners Environmental Response Fund program establishes a fund for oversight, investigation and remediation of eligible properties contaminated with solvents from currently operating and formerly operated dry-cleaning facilities. One requirement for fund eligibility for operating dry cleaning facilities is the use of practices to minimize the potential for ongoing or additional release of dry-cleaning solvent.

Full-Time	7	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	5	5	0	5
Payroll	308,000	389,000	389,000	0	389,000
Operational	1,783,800	2,057,700	2,056,200	0	2,056,200
Total	\$2,091,800	\$2,446,700	\$2,445,200	\$0	\$2,445,200
State	1,974,600	2,446,700	2,445,200	0	2,445,200
Federal	23,700	0	0	0	0
Other	93,500	0	0	0	0

Performance Information:

Standard: Issue completion letters to applicants after completion of all required interim action, investigation, remediation or other activities at a site.

Measure: Number of Letters of Completion issued after completion of all required interim action, investigation, remediation or other activities.

	2	3	3	0	3
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Standard: Oversee the cleanup of dry cleaning solvent impacted sites that are progressing toward cleanup through ongoing environmental response activities.

Measure: Number of dry cleaning solvent impacted sites progressing toward cleanup.

	30	35	40	0	40
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327.30 Environment Administration

Environment Administration serves as the central organizational entity for all environmental activities in the State. It provides policy direction, guidance, and administrative oversight to thirteen divisions and the eight regional Environmental Assistance Centers (EACs).

Full-Time	78	77	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	78	77	77	0	77
Payroll	3,140,900	3,278,400	3,278,400	0	3,278,400
Operational	990,600	1,325,900	1,030,300	0	1,030,300
Total	\$4,131,500	\$4,604,300	\$4,308,700	\$0	\$4,308,700
State	1,602,700	1,360,500	1,069,300	0	1,069,300
Federal	0	21,100	21,100	0	21,100
Other	2,528,800	3,222,700	3,218,300	0	3,218,300

Performance Information:

Standard: Maintain and coordinate issuance of enforcement orders to achieve accurate and timely issuance.

Measure: Number of enforcement orders issued.

	832	800	800	0	800
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327.31 Air Pollution Control

The Air Pollution Control program is responsible for the regulation of air contaminants (pollutants) that are emitted to the atmosphere, for the enforcement of state and federal regulations, and for the measurement of air quality. State, local, and federal agencies monitor air quality at several sites across the state to determine if public health and welfare are being protected. Mobile sources of air pollution are subject to a vehicle emission testing program in areas of the state that need the most stringent degree of regulation to meet air quality standards. The state coordinates its air pollution control efforts with four local government air pollution control programs in Shelby, Davidson, Hamilton, and Knox counties.

Full-Time	140	145	144	21	165
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	152	157	156	21	177
Payroll	6,554,800	7,635,600	7,640,900	958,700	8,599,600
Operational	2,597,300	2,943,700	2,805,500	405,000	3,210,500
Total	\$9,152,100	\$10,579,300	\$10,446,400	\$1,363,700	\$11,810,100
State	1,191,500	1,132,900	1,073,000	0	1,073,000
Federal	1,212,000	1,523,800	1,523,800	0	1,523,800
Other	6,748,600	7,922,600	7,849,600	1,363,700	9,213,300

<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Attain new, more restrictive federal air quality standards for ozone by establishing and maintaining early action compacts.

Measure: Early attainment of the new ozone clean air standards through early action compacts - Progress is to be shown in parts per million by averaging the design values of all ozone-monitoring sites in the state.

0.088	0.088	0.087	0	0.087
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Standard: Attain new, more restrictive federal air quality standards for fine particulate matter by negotiating early compliance incentives with the federal government.

Measure: Early compliance incentives for the new PM2.5 fine particle standards - Progress is to be shown in mg/m3 by averaging the annual design values of all PM2.5 fine particle monitoring sites.

16.1	16.0	15.9	0	15.9
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Standard: Protect and improve air quality in Tennessee's special places, such as national parks.

Measure: Protect and improve air quality in Tennessee's special places for future generations - measured visibility improvement at IMPROVE monitoring sites measured in deciviews, a scientific measure of visibility.

21.4985	21.4980	21.4975	0	21.4975
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Standard: Develop innovative permitting and inspection solutions to maximize resources and provide more efficient services.

Measure: Develop innovative permitting and inspection solutions to maximize resources and provide more efficient service - measured in average days to issue a construction permit from receipt of a complete permit application.

90	88	86	0	86
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Standard: Inspect all major and conditional major air pollution sources at least once a year.

Measure: Number and percent of Title 5 and conditional major facilities (larger sized air pollution sources) inspected annually.

631/100%	630/100%	634/100%	0	634/100%
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Standard: Increase the number of minor source inspections so all minor pollution source facilities would be inspected a least once every three to five years.

Measure: Increase the number of minor source inspections so all minor pollution source facilities would be inspected a least once every three to five years.

1%	1%	20%	0	20%
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327.32 Radiological Health

The Radiological Health program is responsible for protecting and improving the health of Tennessee's citizens through the prevention of radiological conditions that may, in any manner, be a threat to good health, and to treat, through education, enforcement, and remediation, radiologically hazardous conditions that have, or may have, affected the health or environment of Tennesseans. The program performs as both a regulatory agency and a service organization primarily via three functional areas: Licensing and Registration, Inspection and Enforcement, and Technical Services.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	69	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	69	67	67	0	67
Payroll	2,821,000	3,375,500	3,375,500	0	3,375,500
Operational	1,207,200	1,553,300	1,545,900	0	1,545,900
Total	\$4,028,200	\$4,928,800	\$4,921,400	\$0	\$4,921,400
State	0	373,000	372,300	0	372,300
Federal	119,000	72,900	72,900	0	72,900
Other	3,909,200	4,482,900	4,476,200	0	4,476,200

Performance Information:

Standard: Issue license applications, amendment requests, and registrations/certified registrations of radiation producing machines, within applicable timeframes as established by State Regulations for Protection Against Radiation (SRPAR).

Measure: Percent of license applications, amendment requests, and registration/certified registration requests processed within applicable timeframes.

95%	97%	98%	0	98%
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Standard: Perform inspections of radiation machine and radioactive materials facilities, as required by TCA 68-202-503(a), applicable SRPAR, and division procedures.

Measure: Number of inspections of radiation machines (tubes) and radioactive materials licenses to be performed annually.

1,900	1,950	2,000	0	2,000
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Standard: Perform radiological environmental monitoring at targeted sites to ensure public health and safety from radiological releases.

Measure: Number of radiological environmental sample collection site assessments to be performed annually.

60	60	60	0	60
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Standard: Provide timely and appropriate response to all reported radiation incidents.

Measure: Percent of reported radiation incidents that are adequately investigated.

100%	100%	100%	0	100%
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327.33 Community Assistance

The Community Assistance program provides environmental multi-media training; financial and technical assistance to promote pollution prevention, reuse and recycling; and supports economic and community development. Services include: small business environmental assistance, which provides free, voluntary, confidential, on-site technical assistance to hazardous waste generators and training sessions/workshops targeted toward specific segments of the industry and business in Tennessee; Clean Water and Drinking Water SRF loan programs; and waste and waste water operator certification and operator training.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	52	51	50	0	50
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	56	55	54	0	54
Payroll	2,254,700	2,782,900	2,743,100	0	2,743,100
Operational	29,764,500	49,202,900	49,187,600	0	49,187,600
Total	\$32,019,200	\$51,985,800	\$51,930,700	\$0	\$51,930,700
State	7,329,900	6,272,900	6,217,800	0	6,217,800
Federal	23,502,900	44,958,000	44,958,000	0	44,958,000
Other	1,186,400	754,900	754,900	0	754,900

Performance Information:

Standard: Provide small business with compliance assistance activities that assists them with their regulatory compliance issues utilizing informational materials and onsite audits.

Measure: Number of small businesses that received environmental permitting and compliance assistance.

4,000	4,500	5,000	0	5,000
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Standard: Maintain self-sustaining state revolving fund loan programs by providing low-cost loans for infrastructure projects that will bring small communities into compliance with permits and protect public health.

Measure: Amount of financial assistance provided to small communities under the Clean Water State Revolving Loan Program and the Drinking Water State Revolving Loan Program.

\$10,100,000	\$11,000,000	\$12,000,000	0	\$12,000,000
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Standard: Provide training for water operators of small water systems to aid them in complying with testing, monitoring and regulations.

Measure: Number of small water systems operators that receive training.

Not Available	300	350	0	350
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327.34 Water Pollution Control

The Division of Water Pollution Control is responsible for protecting the state's waters through a program of water quality planning, monitoring and assessment, and regulation. The division's mandated activities include: water quality planning and assessment, watershed management, permitting, enforcement and compliance, and mine land reclamation.

Full-Time	157	174	174	0	174
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	165	182	182	0	182
Payroll	7,741,600	8,991,600	9,110,800	0	9,110,800
Operational	4,554,000	5,843,700	5,622,500	0	5,622,500
Total	\$12,295,600	\$14,835,300	\$14,733,300	\$0	\$14,733,300
State	5,233,200	4,781,900	4,733,900	0	4,733,900
Federal	2,074,800	3,391,400	3,391,400	0	3,391,400
Other	4,987,600	6,662,000	6,608,000	0	6,608,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Produce a minimum of 40 Total Maximum Daily Loads (TMDLs) per the consent decree.

Measure: Number of TMDLs developed.

	40	40	40	0	40
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Standard: Collect water quality data at 1,500 sites annually.

Measure: Number of sites monitored where water quality data is collected.

	1,400	1,500	1,500	0	1,500
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Standard: Issue individual wastewater permits.

Measure: Number of individual wastewater permits issued.

	355	526	420	0	420
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Standard: Issue Aquatic Resource Alteration Permits (ARAPs).

Measure: Number of individual and general ARAPs issued.

	1,200	1,200	1,200	0	1,200
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Standard: Issue Commissioner's Orders for violations of the Tennessee Water Quality Control Act.

Measure: Number of Commissioner Orders issued.

	440	215	215	0	215
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Standard: Reclaim mine sites.

Measure: Number of sites reclaimed.

	4-8	4-8	4-8	0	4-8
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327.35 Solid Waste Management

The Solid Waste Management program develops, implements, and enforces regulations relevant to solid waste and hazardous waste management. This division has the authority to administer the lead hazard program in Tennessee in lieu of the United States Environmental Protection Agency (EPA).

Full-Time	141	141	141	2	143
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	149	149	149	2	151
Payroll	6,780,000	7,663,500	7,769,800	84,200	7,854,000
Operational	2,031,000	2,043,400	1,876,400	14,700	1,891,100
Total	\$8,811,000	\$9,706,900	\$9,646,200	\$98,900	\$9,745,100
State	2,172,500	1,642,400	1,594,700	0	1,594,700
Federal	1,879,300	2,765,800	2,765,800	98,900	2,864,700
Other	4,759,200	5,298,700	5,285,700	0	5,285,700

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Inspect permitted solid waste facilities at a frequency necessary to maintain compliance and meet statutory mandates.

Measure: Percent of permitted solid waste facility inspections that have been conducted.

90%	95%	98%	0	98%
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Standard: Protect human health and the environment by conducting hazardous waste generator and treatment, storage, and disposal facilities (TSDFs) inspections and follow-up inspections at the percentage of facilities agreed upon in the annual EPA Work Plan.

Measure: Percent of hazardous waste generator and TSDF inspections conducted in accordance with the annual EPA Work Plan, which sets the annual number of inspections.

100%	100%	100%	0	100%
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Standard: Protect human health and the environment by ensuring that all of the hazardous waste cleanups under HSWA Corrective Action are being conducted as approved and in a timely fashion.

Measure: Percent of Corrective Actions commitments completed in accordance with the annual EPA Work Plan.

100%	100%	100%	0	100%
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Standard: For large-scale, multi-family complexes where there is a contract for lead-based paint abatement, conduct a state inspection as established by federal mandates of these projects to determine compliance with the state regulatory work-practice standards.

Measure: Percent of lead-based paint abatement inspections conducted.

20%	22%	25%	0	25%
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327.36 DOE Oversight

The DOE Division coordinates the department and various other state agencies in regard to environmental compliance, environmental restoration, waste management, health studies, and public awareness activities on the Oak Ridge Reservation. The department, in cooperation with the United States Department of Energy, work together to achieve clean air, water, and land in Tennessee while sustaining economic growth.

Full-Time	53	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	53	0	53
Payroll	2,169,000	2,869,700	2,869,700	0	2,869,700
Operational	881,400	3,227,500	3,221,300	0	3,221,300
Total	\$3,050,400	\$6,097,200	\$6,091,000	\$0	\$6,091,000
State	0	0	0	0	0
Federal	2,992,900	6,097,200	6,091,000	0	6,091,000
Other	57,500	0	0	0	0

<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Complete all reports on time and in a quality manner as required by the Tennessee Oversight Agreement.

Measure: Number of public and internal reports delivered.

8	11	11	0	11
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Standard: Complete all reviews with comment resolution for all Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) investigation, decision, and design documents within 90 days or other agreed timeline.

Measure: Number of project document reviews in accordance with FFA protocol.
[These broadly represent contaminated areas undergoing corrective actions.]

30	17	20	0	20
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Standard: Perform weekly Federal Facility Agreement (FFA) field inspections to monitor the progress of ongoing clean up work and to evaluate the effectiveness of completed clean up activities.

Measure: FFA field inspections and environmental monitoring.
[This assures that remedial actions and/or protective controls are effective pursuant to PM 2.]

86	106	110	0	110
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Standard: Review the deliverables and provide comments according to the FFCA Site Treatment Plan timeframe for setting milestones and target dates, reviewing mixed waste inventories annually, and evaluating DOE extension requests and negotiating resulting disputes.

Measure: FFCA project document reviews within the Site Treatment Plan required timeframe.

58	52	60	0	60
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327.37 Abandoned Lands

The Abandoned Lands program administers the Tennessee Surface Mining Reclamation Fund for reclamation and re-vegetation of land affected by surface mining. The fund is comprised of fees and forfeited bonds from both active and inactive mining operations. Due to limited funds, only sites that present an extreme danger to public health, safety, or welfare are considered for reclamation.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	17,400	500,000	500,000	0	500,000
Total	\$17,400	\$500,000	\$500,000	\$0	\$500,000
State	3,800	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	13,600	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Fund reclamation projects in order to eliminate the safety hazards that are posed by abandoned mine sites.

Measure: Number of emergency reclamation projects for abandoned mine sites that are reclaimed (implemented on an emergency basis only, due to limited funds).

No project in 2003	As Needed	As Needed	0	As Needed
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327.38 Hazardous Waste Remedial Action Fund

The Hazardous Waste Remedial Action Fund supports activities to identify, investigate, and remedy properties contaminated by hazardous substances. Without this program, contaminated properties would remain abandoned and pose a threat to the health of Tennesseans and the environment. In addition to monetary support from the Department of Defense and the Environmental Protection Agency, funds are derived from state appropriations and fees paid by generators and transporters of hazardous waste.

Full-Time	62	65	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	65	65	0	65
Payroll	2,810,300	3,452,200	3,452,200	0	3,452,200
Operational	5,015,500	7,571,200	7,552,100	0	7,552,100
Total	\$7,825,800	\$11,023,400	\$11,004,300	\$0	\$11,004,300
State	1,065,800	1,013,600	1,000,000	0	1,000,000
Federal	989,500	2,061,100	2,059,900	0	2,059,900
Other	5,770,500	7,948,700	7,944,400	0	7,944,400

Performance Information:

Standard: Clean up six inactive hazardous substance sites annually.

Measure: Number of hazardous substance sites cleaned up where remediation efforts are completed.

8	6	6	0	6
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Standard: Number of sites with incremental progress toward cleanup.

Measure: Number of sites with incremental progress toward cleanup.

60	65	70	0	70
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Standard: Number of complaints or potential sites investigated.

Measure: Number of complaints or potential sites investigated.

15	10	10	0	10
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327.39 Water Supply

The Water Supply program develops groundwater and wellhead protection plans in order to ensure Tennessee's public water supply complies with state and federal standards. The program also regulates most of the dams across the state and the drilling of public and private wells.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	79	80	80	2	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	80	80	2	82
Payroll	3,628,100	3,952,000	4,114,800	73,300	4,188,100
Operational	1,766,500	2,042,100	1,854,600	5,300	1,859,900
Total	\$5,394,600	\$5,994,100	\$5,969,400	\$78,600	\$6,048,000
State	914,700	740,300	723,500	0	723,500
Federal	2,957,000	2,427,100	2,427,100	78,600	2,505,700
Other	1,522,900	2,826,700	2,818,800	0	2,818,800

Performance Information:

Standard: Conduct training, inspections, and enforcement action to insure community water system customers receive drinking water that meets all applicable health based standards that are in effect on December 31, 2001.

Measure: Percentage of the population served by community water systems that will receive drinking water that meets all applicable health based drinking water standards that are in effect on December 31, 2001.

96% 95% 96% 0 96%

Standard: Protect Tennessee's ground water resources by licensing qualified applicants and assuring compliance with construction and installation standards.

Measure: Percentage of qualified water well drillers, pump and treatment installers to be issued renewal licenses by August 15, 2004.

100% 100% 100% 0 100%

Standard: Maintain proper operation of public water systems by having a certified operator.

Measure: Percentage of the public water systems having a certified operator.

97.0% 97.0% 97.5% 0 97.5%

Standard: Maintain at least 95% of regulated dams in compliance with dam safety standards and encourage compliance of non-regulated dams.

Measure: Percentage of all dams in compliance with safety standards.

95% 96% 97% 0 97%

327.40 Groundwater Protection

The Groundwater Protection program protects, preserves and improves the quality of Tennessee's groundwater by assuring the proper disposal of domestic wastewater. The program is charged with the regulation, inspection, and enforcement of subsurface sewage disposal systems.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	153	149	149	0	149
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	153	149	149	0	149
Payroll	7,017,300	7,679,800	7,679,800	0	7,679,800
Operational	1,960,300	1,967,700	1,937,500	0	1,937,500
Total	\$8,977,600	\$9,647,500	\$9,617,300	\$0	\$9,617,300
State	4,064,800	3,319,200	3,302,100	0	3,302,100
Federal	0	0	0	0	0
Other	4,912,800	6,328,300	6,315,200	0	6,315,200

Performance Information:

Standard: Issue construction permits for subsurface sewage disposal systems where suitable soil conditions exist.

Measure: Number of subsurface sewage disposal system permits issued.

18,000	20,000	20,000	0	20,000
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Standard: Approve subdivision projects where applicable statutes, rules and regulations are satisfied.

Measure: Number of subdivision lots approved.

7,500	8,000	8,000	0	8,000
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Standard: Investigate 100% of complaints pertaining to malfunctioning and/or illegal subsurface sewage disposal.

Measure: Percentage of complaints investigated.

100%	100%	100%	0	100%
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Standard: Respond to all variance requests within 90 days.

Measure: Variance responses made within 90 days.

100%	100%	100%	0	100%
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Standard: Administer all permitting requirements through annual license of individuals engaged in the business of installing subsurface sewage disposal systems and/or removing waste from such systems.

Measure: Number of annual permits issued to qualified installers and pumpers.

1,903	2,000	2,250	0	2,250
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327.41 Underground Storage Tanks

The Underground Storage Tanks program regulates the installation and inspection of underground petroleum storage tanks. Mandated by the Tennessee Petroleum Underground Storage Tank Act and working in concert with federal and local agencies, the division issues certificates, collects fees, reimburses allowable environmental investigation costs to eligible tank owners and operators, and manages the Tennessee Petroleum Underground Storage Tank Fund.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	84	84	84	0	84
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	92	92	92	0	92
Payroll	3,400,900	3,928,100	4,013,000	0	4,013,000
Operational	17,872,200	19,480,900	19,387,200	10,000,000	29,387,200
Total	\$21,273,100	\$23,409,000	\$23,400,200	\$10,000,000	\$33,400,200
State	19,498,200	21,160,700	21,151,900	10,000,000	31,151,900
Federal	1,332,900	2,248,300	2,248,300	0	2,248,300
Other	442,000	0	0	0	0

Performance Information:

Standard: Issue 100% of annual certificates to existing tank owners who have paid all outstanding fees and late payment penalties prior to the expiration date of the current certificate.

Measure: Percentage of annual certificates printed prior to the expiration date of the current certificate for existing tanks where owners have timely paid all required fees.

84% 95% 100% 0 100%

Standard: Inspect 20% of active registered underground storage tank facilities annually for compliance with equipment and operational standards.

Measure: Percentage of active registered facilities inspected annually.

20% 20% 20% 0 20%

Standard: At least 13 % of petroleum contaminated sites, which have not previously reached their clean-up goals, shall reach their clean-up goals each year by providing adequate protection of human health, safety and the environment.

Measure: Percentage of sites that reach their clean-up goals through adequate protection of human health, safety and the environment, i.e., that achieves site closure each year.

11% 12% 13% 0 13%

Standard: Evaluate 100% of the applications for fund eligibility (Authorization for Fund Eligibility Forms) received each year within 45 days of receipt.

Measure: Percentage of Authorization for Fund Eligibility Forms, which have been evaluated for reimbursement from the Tennessee Petroleum Underground Storage Tank Fund within 45 days of receipt.

92% 95% 98% 0 98%

327.42 Solid Waste Assistance

The Solid Waste Assistance Fund supports programs that promote planning, development, and maintenance by local governments of comprehensive, integrated solid waste management. The program encourages generators and handlers of solid waste to reduce and minimize the amount of solid waste requiring incineration or disposal through source reduction, reuse, composting, recycling, and other methods.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	21	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	20	20	0	20
Payroll	724,700	987,200	987,200	0	987,200
Operational	7,811,700	8,244,400	8,243,300	0	8,243,300
Total	\$8,536,400	\$9,231,600	\$9,230,500	\$0	\$9,230,500
State	8,279,900	9,231,600	9,230,500	0	9,230,500
Federal	0	0	0	0	0
Other	256,500	0	0	0	0

Performance Information:

Standard: Improve statewide municipal solid waste reduction and diversion from Class I landfills and incinerators.

Measure: Percentage of waste reduction and diversion achieved.

20%	24%	25%	0	25%
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Standard: Expand waste tire beneficial use markets in Tennessee.

Measure: Tons of waste tires processed to beneficial end use.

46,800	49,200	52,000	0	52,000
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Standard: Increase the amount of latex paint reused in Tennessee.

Measure: Gallons of latex paint reused.

2,875	5,000	7,500	0	7,500
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Standard: Assist in lowering the waste disposal costs of state facilities through increasing recycling and waste reduction.

Measure: Number of tons of solid waste collected at state facilities for recycling.

1,200	1,300	1,500	0	1,500
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327.43 Environmental Protection Fund

The Environmental Protection Fund was created to improve performance in permitting, monitoring, compliance investigating, enforcement, and administration of the department's function under each regulatory program. These functions are performed in each of the environmental programs that receive Environmental Protection funds.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	29,922,900	37,145,600	37,337,500	1,363,700	38,701,200
Total	\$29,922,900	\$37,145,600	\$37,337,500	\$1,363,700	\$38,701,200
State	29,738,200	37,145,600	37,337,500	1,363,700	38,701,200
Federal	0	0	0	0	0
Other	184,700	0	0	0	0

<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
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Performance Information:

Standard: Allocate fees to be used to fund environmental protection activities.

Measure: Amount of fees used to fund environmental protection activities.

\$29,241,900	\$35,826,000	\$35,826,000	0	\$35,826,000
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327.00 Department Total

Full-Time	2,404	2,407	2,373	25	2,398
Part-Time	223	222	217	0	217
Seasonal	587	584	521	0	521
Total	3,214	3,213	3,111	25	3,136
Payroll	94,919,600	109,452,500	108,953,600	1,116,200	110,069,800
Operational	145,072,500	191,303,600	185,614,000	15,891,200	201,505,200
Total	\$239,992,100	\$300,756,100	\$294,567,600	\$17,007,400	\$311,575,000
State	124,513,900	138,564,500	134,625,800	15,466,200	150,092,000
Federal	42,279,000	74,980,100	75,085,700	177,500	75,263,200
Other	73,199,200	87,211,500	84,856,100	1,363,700	86,219,800

Department of Human Services

The mission of the Department of Human Services is to provide an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans to improve their quality of life. The department is structured into four functional areas:

- Administration
- Adult and Family Services
- Child Support
- Rehabilitation Services.

Program Improvements - For information on recommended program improvements, see page B-158.

<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
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345.01 Administration

Administration provides the basic infrastructure of administrative services to support the performance objectives of the departmental programs. These include services such as fiscal, audit, technology, and personnel.

Full-Time	497	541	541	0	541
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	497	541	541	0	541
Payroll	20,802,400	28,680,800	26,928,000	0	26,928,000
Operational	29,877,100	25,246,700	24,668,300	0	24,668,300
Total	\$50,679,500	\$53,927,500	\$51,596,300	\$0	\$51,596,300
State	17,938,900	18,316,400	18,310,600	0	18,310,600
Federal	22,392,600	24,284,300	23,168,700	0	23,168,700
Other	10,348,000	11,326,800	10,117,000	0	10,117,000

Performance Information:

Standard: Increase the availability of the family assistance computer system (ACCENT).

Measure: Percentage of time ACCENT is available.

98.68%	99.34%	99.50%	0	99.50%
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Standard: Increase the availability of the Child Support Enforcement computer system (TCSES).

Measure: Percentage of time Child Support Enforcement System is available.

98.10%	99.00%	99.50%	0	99.50%
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Standard: Increase the percentage of vendor invoices paid within 10 days of receipt.

Measure: Percentage of childcare invoices paid within 10 days of receipt (represents approximately 140,000 invoices).

93.30%	94.00%	95.00%	0	95.00%
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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345.13 Child Support

The Child Support Enforcement program is a federal, state, and local partnership to collect and distribute child support. Program goals include ensuring children have the financial support of both parents, fostering responsible behavior towards children, and reducing welfare costs. Tennessee's Child Support program is administered by the department through contracts with district attorneys, private vendors, local governments, and program staff.

Full-Time	149	139	196	0	196
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	149	139	196	0	196
Payroll	5,170,700	6,346,300	6,757,500	38,000	6,795,500
Operational	67,937,200	70,228,400	68,636,800	0	68,636,800
Total	\$73,107,900	\$76,574,700	\$75,394,300	\$38,000	\$75,432,300
State	15,172,800	15,357,700	15,013,900	12,900	15,026,800
Federal	29,578,800	40,246,500	38,208,600	25,100	38,233,700
Other	28,356,300	20,970,500	22,171,800	0	22,171,800

Performance Information:

Standard: Increase the percentage of child support cases with court orders.

Measure: Percentage of cases with child support court orders.

58% (Estimated)	60%	62%	0	62%
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Standard: Increase the percentage of current support collected.

Measure: Percentage of current support collected.

52% (Estimated)	54%	56%	0	56%
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345.16 Field Operations

Field Operations provides supervision and administrative support to local offices in each of Tennessee's 95 counties. This program is used as a management and accounting tool to capture expenditures associated with supervision and administrative support of the local offices.

Full-Time	516	506	506	0	506
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	516	506	506	0	506
Payroll	17,725,700	19,301,400	18,592,400	0	18,592,400
Operational	1,110,400	904,100	1,130,500	0	1,130,500
Total	\$18,836,100	\$20,205,500	\$19,722,900	\$0	\$19,722,900
State	4,891,300	5,918,000	5,915,000	0	5,915,000
Federal	4,500,500	5,795,600	5,318,300	0	5,318,300
Other	9,444,300	8,491,900	8,489,600	0	8,489,600

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Increase the timeliness of Random Moment Sample surveys to 99%.

Measure: Random Moment Sample surveys returned timely.

	96.15%	97.00%	99.00%	0	99.00%
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345.17 County Rentals

The Department of Human Services has offices in all 95 counties. This program is used as an accounting tool to capture expenditures associated with those offices. Services paid from this program include rent, phone, janitorial services, maintenance, and network computer charges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,257,800	20,205,900	16,775,100	0	16,775,100
Total	\$18,257,800	\$20,205,900	\$16,775,100	\$0	\$16,775,100
State	5,002,800	4,023,600	3,897,600	0	3,897,600
Federal	5,868,000	7,310,200	5,963,100	0	5,963,100
Other	7,387,000	8,872,100	6,914,400	0	6,914,400

Performance Information:

Standard: Ensure functional office space for department employees is available each day the state is open for business. Active leases must be in place for each DHS office during the fiscal year.

Measure: Number of active leases.

	124	123	123	0	123
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345.23 Temporary Cash Assistance

Temporary Cash Assistance provides cash payments to low-income families to enable them to become self-sufficient. Qualified applicants are issued a cash benefit based on household size and income. Benefits are distributed to individuals electronically through the use of an electronic benefits card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	140,903,600	137,796,400	117,296,400	43,882,700	161,179,100
Total	\$140,903,600	\$137,796,400	\$117,296,400	\$43,882,700	\$161,179,100
State	18,168,900	20,500,000	0	43,882,700	43,882,700
Federal	116,659,000	111,220,900	113,916,200	0	113,916,200
Other	6,075,700	6,075,500	3,380,200	0	3,380,200

Actual
2002-2003

Estimated
2003-2004

Base
2004-2005

Improvement
2004-2005

Recommended
2004-2005

Performance Information:

Standard: Monitor the monthly participation rate of families receiving temporary cash assistance.

Measure: Average number of families receiving monthly temporary cash assistance payments.

68,162	73,966	62,351	16,275	78,626
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345.25 Food Stamp Coupons

Food Stamp coupons represent the benefit associated with the Food Stamp program. The amount of assistance to which any person, household, or family shall be entitled to receive in the form of food stamp benefits is determined by measuring the income and resources of such person, household, or family. Food Stamp benefits are distributed to individuals through the use of an electronic benefits card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	665,293,100	720,000,000	740,000,000	0	740,000,000
Total	\$665,293,100	\$720,000,000	\$740,000,000	\$0	\$740,000,000
State	0	0	0	0	0
Federal	665,293,100	720,000,000	740,000,000	0	740,000,000
Other	0	0	0	0	0

Performance Information:

Standard: Increase the monthly participation rate of individuals receiving benefits.

Measure: Number of individuals receiving monthly Food Stamp benefits.

685,600	745,000	762,000	0	762,000
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345.30 Family Assistance Services

Family Assistance provides eligibility determination for the Families First, Food Stamps, and Medicaid/TennCare program. Additionally, the following services are among those provided: nutrition education (Food Stamps), outreach (Food Stamps), job training (Families First), employment career services (Families First), and families servicing counseling (Families First).

Full-Time	1,873	1,869	2,126	0	2,126
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,873	1,869	2,126	0	2,126
Payroll	74,647,400	78,145,800	81,419,400	0	81,419,400
Operational	81,276,400	60,436,700	50,334,300	3,000,000	53,334,300
Total	\$155,923,800	\$138,582,500	\$131,753,700	\$3,000,000	\$134,753,700
State	65,246,700	54,816,000	47,259,400	1,500,000	48,759,400
Federal	52,418,000	48,004,400	46,444,100	1,500,000	47,944,100
Other	38,259,100	35,762,100	38,050,200	0	38,050,200

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Increase the percentage of state's Families First TANF caseload engaged in activities designed to lead to self-sufficiency (Work Participation Rate).

Measure: Families First's Work Participation Rate (WPR).

45%	50%	50%	0	50%
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Standard: Increase Food Stamps payment accuracy rate to 94.5%.

Measure: Food Stamps payment accuracy rate.

92.41%	94.50%	94.50%	0	94.50%
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Standard: Increase Food Stamps application timeliness to 99%.

Measure: Food Stamps applications processed timely.

90.43% (Est.)	91.00%	99.00%	0	99.00%
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Standard: Reduce Food Stamps negative error rate to 6%. The error rate could be negatively impacted by an increase in the Food Stamps caseload.

Measure: Food Stamps negative error rate.

6.2%	6.5%	6.0%	0	6.0%
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Standard: Meet a target of 95% for the eligibility determination rate for TennCare.

Measure: Medicaid/TennCare Eligibility Determination accuracy rate. A Quality Control Error rate will be established for FY 2003-2004. A target has been established at 95% for FY 2004-2005.

Not Available	Not Available	95%	0	95%
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345.35 Disaster Relief

The Disaster Relief division provided administration of relief funds in the event of a presidentially declared disaster. These funds are no longer administered by the Department of Human Services. The federal government now handles these funds directly.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,600	0	0	0	0
Total	\$2,600	\$0	\$0	\$0	\$0
State	600	0	0	0	0
Federal	2,000	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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345.49 Community Services

Community Services provides a range of social services, including Child Care, Adult Protective Services (APS), Child and Adult Nutrition, Summer Food Service, Community Service Block Grant (CSBG), and Homemaker. Services are provided through a mix of state employees, quasi-governmental entities, and private entities. This program includes reimbursements for state-subsidized child care.

Full-Time	322	332	400	0	400
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	322	332	400	0	400
Payroll	13,208,800	13,806,100	16,738,400	0	16,738,400
Operational	344,017,200	316,360,000	282,344,600	33,209,000	315,553,600
Total	\$357,226,000	\$330,166,100	\$299,083,000	\$33,209,000	\$332,292,000
State	32,436,600	40,857,600	13,890,400	33,209,000	47,099,400
Federal	314,124,400	281,097,400	273,464,900	0	273,464,900
Other	10,665,000	8,211,100	11,727,700	0	11,727,700

Performance Information:

Standard: Increase the percentage of child care complaints investigated and resolved within 30 days to 95%.

Measure: Percentage of child care complaints investigated and resolved within 30 days.

93% (Estimated)	95%	95%	0	95%
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Standard: Increase the percentage of vulnerable adults with reduced risk to 80%.

Measure: Percentage of valid APS cases with risk reduced.

77%	79%	80%	0	80%
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Standard: Increase the number of participants receiving nutritious meals in the Child and Adult Care Food Program.

Measure: Number of Child and Adult Care Food Program meals served.

33,562,800	34,569,600	35,606,700	0	35,606,700
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Standard: Increase the number of participants receiving nutritious meals in the Summer Food Service Program.

Measure: Number of meals served in the Summer Food Service Program.

3,219,300	3,315,800	3,415,300	0	3,415,300
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Standard: Provide Community Service Block Grant services to low-income individuals.

Measure: Number of low-income individuals served with CSBG services.

128,000 (Estimated)	127,000	125,000	0	125,000
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Standard: Provide services to individuals through the Homemaker program.

Measure: Number of individuals served in the Homemaker program.

4,900	4,800	4,800	0	4,800
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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345.50 Child Care Facilities Loan Fund

The Child Care Facilities Loan Program provides loan guarantees, direct loans and corporate/community partnership grants to businesses and individuals with the objective of increasing child care spaces, promoting economic opportunities and creating jobs.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	83,700	88,000	88,600	0	88,600
Operational	247,000	100,400	17,200	0	17,200
Total	\$330,700	\$188,400	\$105,800	\$0	\$105,800
State	0	0	0	0	0
Federal	225,900	97,300	0	0	0
Other	104,800	91,100	105,800	0	105,800

Performance Information:

Standard: Increase the number of child care providers receiving small business training.

Measure: Number of providers completing training.

1,800	1,980	2,000	0	2,000
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345.70 Vocational Rehabilitation

The Vocational Rehabilitation program seeks to alleviate barriers and provide quality services to improve the conditions of persons with disabilities. Its primary goal is to place disabled individuals into employment. Vocational Rehabilitation (VR) services are any services described in an individual plan for employment necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual. The program includes the Tennessee Rehabilitation Center (TRC) in Smyrna and other locations throughout the State.

Full-Time	608	601	601	0	601
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	608	601	601	0	601
Payroll	21,986,900	22,870,100	23,351,200	0	23,351,200
Operational	59,150,700	52,008,300	50,575,900	0	50,575,900
Total	\$81,137,600	\$74,878,400	\$73,927,100	\$0	\$73,927,100
State	10,628,800	9,498,600	9,494,000	0	9,494,000
Federal	59,419,700	56,789,300	56,772,100	0	56,772,100
Other	11,089,100	8,590,500	7,661,000	0	7,661,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Increase the percentage of all individuals exiting the VR program after receiving services who achieve employment outcomes.

Measure: Percentage of individuals who exit VR program after receiving services who achieve employment outcomes.

57.00%	63.23%	65.22%	0	65.22%
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Standard: Increase percentage of individuals who exit the VR program in competitive, self-, or Business Enterprise Program employment with hourly earnings equivalent to at least the minimum wage.

Measure: Of all individuals achieving employment outcomes, the percentage whose earnings are equivalent to at least the minimum wage.

88.00%	88.37%	90.00%	0	90.00%
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345.71 Disability Determination

In accordance with the Social Security Act and related laws and regulations, the Disability Determination Services Program (DDS), in partnership with the Social Security Administration (SSA), ascertains whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the Social Security Administration.

Full-Time	423	479	479	0	479
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	423	479	479	0	479
Payroll	14,414,600	18,021,400	18,021,400	0	18,021,400
Operational	21,891,400	21,730,300	21,753,700	0	21,753,700
Total	\$36,306,000	\$39,751,700	\$39,775,100	\$0	\$39,775,100
State	0	0	0	0	0
Federal	35,166,400	38,175,900	38,275,100	0	38,275,100
Other	1,139,600	1,575,800	1,500,000	0	1,500,000

Performance Information:

Standard: Handle Social Security Administration (SSA) claims in a timely manner.

Measure: Average days required to process claims (within 104 days is SSA maximum).

98	104	90	0	90
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Standard: Provide accurate SSA services, based on randomly selected case reviews.

Measure: Quality assurance based on performance reviews of determination accuracy.

95.1%	95.0%	97.0%	0	97.0%
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	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
345.00 Department Total					
Full-Time	4,390	4,469	4,851	0	4,851
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,390	4,469	4,851	0	4,851
Payroll	168,040,200	187,259,900	191,896,900	38,000	191,934,900
Operational	1,429,964,500	1,425,017,200	1,373,532,800	80,091,700	1,453,624,500
Total	\$1,598,004,700	\$1,612,277,100	\$1,565,429,700	\$80,129,700	\$1,645,559,400
State	169,487,400	169,287,900	113,780,900	78,604,600	192,385,500
Federal	1,305,648,400	1,333,021,800	1,341,531,100	1,525,100	1,343,056,200
Other	122,868,900	109,967,400	110,117,700	0	110,117,700

Department of Revenue

The Department of Revenue collects and administers Tennessee's fees and taxes, ensures compliance among all taxpayers, and apportions tax revenues to the appropriate state or local fund. These responsibilities are accomplished by the department's administrative services, support services, and revenue collection services.

<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
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347.01 Administration Division

The Administration Division provides overall policy management, support services, taxpayer hearings, and investigates criminal acts for the Department of Revenue. Administrative functions are provided through the Commissioner's Office, Internal Audit and Consulting, Legal Services, Research, Fiscal Services, Human Resources, Special Investigations, and the Administrative Hearing Office.

Full-Time	102	100	103	0	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	100	103	0	103
Payroll	4,927,600	5,458,600	5,669,400	0	5,669,400
Operational	2,499,600	2,218,200	2,490,700	0	2,490,700
Total	\$7,427,200	\$7,676,800	\$8,160,100	\$0	\$8,160,100
State	5,364,700	5,624,100	6,000,100	0	6,000,100
Federal	0	0	0	0	0
Other	2,062,500	2,052,700	2,160,000	0	2,160,000

Performance Information:

Standard: Investigate and prosecute tax fraud timely.

Measure: Close tax cases assigned to Special Investigations within four months or close cases older than four months as either fraud or prosecution.

68.42%	75.00%	75.00%	0	75.00%
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Standard: Minimize taxpayer conference decisions resulting in litigation.

Measure: Percentage of taxpayer conference decisions not resulting in litigation.

89.5%	85.0%	85.0%	0	85.0%
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Standard: Issue taxpayer conference decisions in a timely manner.

Measure: Percentage of taxpayer conference decisions issued within 90 days of the taxpayer conference.

62.8%	60.0%	60.0%	0	60.0%
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347.02 Tax Enforcement Division

The Tax Enforcement division collects delinquent taxes for the state. Tasks include in-state and out-of-state collections, investigating and recommending offers to compromise tax liabilities, recording and releasing tax liens, negotiating payment agreements, and filing of legal claims. The division has a central office in Nashville and nine regional offices throughout the state.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	122	124	124	0	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	122	124	124	0	124
Payroll	5,107,500	5,433,100	5,504,100	0	5,504,100
Operational	817,800	868,600	894,100	0	894,100
Total	\$5,925,300	\$6,301,700	\$6,398,200	\$0	\$6,398,200
State	3,892,400	4,249,000	4,238,200	0	4,238,200
Federal	0	0	0	0	0
Other	2,032,900	2,052,700	2,160,000	0	2,160,000

Performance Information:

Standard: Collect delinquent taxes due.

Measure: Percentage of delinquent taxes collected.

14.93%	14.50%	15.00%	0	15.00%
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Standard: Collect or resolve case inventory.

Measure: Percentage of case inventory collected or resolved within 90 days of the assignment.

64.43%	66.50%	68.00%	0	68.00%
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347.11 Information Technology Resources Division

Information Technology Resources (ITR) is responsible for the information systems needs of the department. ITR provides the planning, resources, management, as well as defines and/or provides technology solutions for the business needs of the department. ITR facilitates all phases of Information Systems projects including software development or purchases, installations, implementations, and all aspects of hardware configuration needs.

Full-Time	57	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	60	60	0	60
Payroll	2,702,000	3,173,100	3,160,600	0	3,160,600
Operational	7,708,700	8,959,400	7,251,100	0	7,251,100
Total	\$10,410,700	\$12,132,500	\$10,411,700	\$0	\$10,411,700
State	7,394,000	9,392,900	7,529,100	0	7,529,100
Federal	0	0	0	0	0
Other	3,016,700	2,739,600	2,882,600	0	2,882,600

Performance Information:

Standard: Revenue Integrated Tax System (RITS) availability.

Measure: Revenue Integrated Tax System (RITS) availability from 6:00 AM CST to 6:00 PM CST, Monday through Friday.

99.02%	98.00%	98.00%	0	98.00%
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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347.13 Taxpayer Services Division

The Taxpayers Services Division is responsible for taxpayer registration, education, and assistance. Assistance is provided by internet, telephone, or in person at the Nashville central office or one of the five regional offices in Johnson City, Knoxville, Chattanooga, Jackson, and Memphis. The division also provides taxpayer education seminars and workshops.

Full-Time	118	117	118	0	118
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	118	117	118	0	118
Payroll	3,821,700	4,431,500	4,448,600	0	4,448,600
Operational	2,642,400	2,924,800	2,828,000	0	2,828,000
Total	\$6,464,100	\$7,356,300	\$7,276,600	\$0	\$7,276,600
State	4,397,000	5,269,400	5,082,400	0	5,082,400
Federal	0	0	0	0	0
Other	2,067,100	2,086,900	2,194,200	0	2,194,200

Performance Information:

Standard: Accurately complete new monthly applications for registration, including licenses, bonds, and resalables.

Measure: Percentage of new registration applications completed error-free within 15 days of receipt.

89.93%	85.00%	85.00%	0	85.00%
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Standard: Serve callers through the General Information Call Center and Tax Practitioner Hotline.

Measure: Percentage of monthly phone calls answered by the call center and the tax practitioner hotline.

97.22%	97.00%	97.00%	0	97.00%
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Standard: Reduce new balance cases through the Predictive Dialer (automated calling system).

Measure: Percentage of new balance cases closed through the predictive dialer.

72.39%	75.00%	75.00%	0	75.00%
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347.14 Audit Division

The Audit Division performs field and office audits of taxpayers to ensure proper compliance of tax laws and processes, claims for refund, and penalty waiver requests. Audit is organized into seven sections and maintains nine in-state offices, five out-of-state offices, and one out-of-state post duty station.

Full-Time	339	350	350	0	350
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	339	350	350	0	350
Payroll	18,421,400	19,417,700	19,972,600	0	19,972,600
Operational	3,040,000	3,137,700	3,342,700	0	3,342,700
Total	\$21,461,400	\$22,555,400	\$23,315,300	\$0	\$23,315,300
State	14,136,700	15,341,500	15,761,700	0	15,761,700
Federal	29,000	22,000	22,000	0	22,000
Other	7,295,700	7,191,900	7,531,600	0	7,531,600

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Performance Information:

Standard: Audit taxpayers subject to Tennessee tax law.

Measure: Percentage of taxpayer population audited.

	2.75%	2.70%	2.77%	0	2.77%
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Standard: Process Claims for Refund on a timely basis.

Measure: Percentage of Claims for Refund processed within 45 days.

	88.3%	90.0%	90.0%	0	90.0%
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347.16 Processing Division

The Processing Division receives and processes all tax documents and related remittances, deposits tax payments to the State Treasury, and posts these payments to taxpayer accounts. This program provides a means of collecting and processing over 90 percent of total state collections used to finance and operate most state programs. In addition, this division provides a lockbox service to state agencies, collecting and depositing over \$140 million annually on their behalf.

Full-Time	136	134	134	0	134
Part-Time	26	18	18	0	18
Seasonal	0	0	0	0	0
Total	162	152	152	0	152
Payroll	4,431,900	5,022,000	4,982,000	0	4,982,000
Operational	1,588,800	1,905,000	1,902,500	0	1,902,500
Total	\$6,020,700	\$6,927,000	\$6,884,500	\$0	\$6,884,500
State	4,173,000	5,166,400	5,034,500	0	5,034,500
Federal	0	0	0	0	0
Other	1,847,700	1,760,600	1,850,000	0	1,850,000

Performance Information:

Standard: Timely deposit all state funds collected.

Measure: Percentage of all state funds deposited within 24 hours of receipt.

	97.27%	95.00%	95.0%	0	95.00%
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Standard: Timely post tax documents.

Measure: Number of days to post 95% of tax documents.

	7	8	8	0	8
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Standard: Deposit checks accurately.

Measure: Percentage of accuracy for all checks put on deposit.

	99.93%	99.99%	99.99%	0	99.99%
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	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
347.00 Department Total					
Full-Time	874	885	889	0	889
Part-Time	26	18	18	0	18
Seasonal	0	0	0	0	0
Total	900	903	907	0	907
Payroll	39,412,100	42,936,000	43,737,300	0	43,737,300
Operational	18,297,300	20,013,700	18,709,100	0	18,709,100
Total	\$57,709,400	\$62,949,700	\$62,446,400	\$0	\$62,446,400
State	39,357,800	45,043,300	43,646,000	0	43,646,000
Federal	29,000	22,000	22,000	0	22,000
Other	18,322,600	17,884,400	18,778,400	0	18,778,400

Department of Safety

The Department of Safety works to provide safe highways for Tennessee's citizens and visitors by strictly enforcing the laws governing the use of state and federal roads. The department also provides services to motorists with driver license and with vehicle titling and registration programs, educates the public through driver safety programs, and assists local law enforcement officers in special operations and training. Responsibilities of the department focus on the following areas:

- Administrative and support services
- Driver license issuance
- Enforcement
- Education
- Titling and registration
- Technical services

Program Improvements - For information on recommended program improvements, see page B-228.

<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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349.01 Administration

The administrative and support services area is responsible for the overall administration of the department, including establishing rules, regulations and policies, and providing basic support services for department operations. Within 349.01 are the Commissioner and his immediate staff, Fiscal Services, Internal Audit, Human Resources, Supply, TOSHA Internal Affairs, and the Legal Division. The Legal Division also administers asset forfeiture cases that arise out of the seizure of property pursuant to Drug Control and Anti-Theft provisions of TCA.

Full-Time	107	89	89	0	89
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	89	89	0	89
Payroll	4,606,000	4,514,900	4,244,300	10,000	4,254,300
Operational	1,938,600	1,738,900	1,692,300	0	1,692,300
Total	\$6,544,600	\$6,253,800	\$5,936,600	\$10,000	\$5,946,600
State	6,060,700	5,907,800	5,440,600	10,000	5,450,600
Federal	0	0	0	0	0
Other	483,900	346,000	496,000	0	496,000

Performance Information:

Standard: Add further avenues for citizens to access the department's services without having to come to one of our offices.

Measure: Number of services available by Internet.

6	8	10	0	10
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Standard: Add further avenues for citizens to access the department's services without having to come to one of our offices.

Measure: Yearly volume of Internet service transactions.

	2,131,520	2,250,00	2,500,000	0	2,500,000
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Standard: Add further avenues for citizens to access the department's services without having to come to one of our offices.

Measure: Percent of driver license address changes made without visiting an office.

	26%	28%	28%	0	28%
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349.02 Driver License Issuance

Driver License Issuance issues driver licenses, photo identification licenses, and handgun carry permits. Issuance of these documents encompasses vision, knowledge and skills testing for private passenger and commercial motor vehicles, voter registration, organ donor awareness, selective service registration, and reinstatement of driving privileges. Core services are provided through 44 statewide locations in 37 counties, along with an increasing number of county clerk offices where selected services are offered. Licenses can be renewed and addresses changed by mail or through the Internet.

Full-Time	287	287	287	0	287
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	300	300	300	0	300
Payroll	8,892,600	9,594,000	9,365,700	900	9,366,600
Operational	8,080,200	10,575,300	9,211,900	554,500	9,766,400
Total	\$16,972,800	\$20,169,300	\$18,577,600	\$555,400	\$19,133,000
State	600,400	2,301,700	1,020,500	555,400	1,575,900
Federal	40,400	765,600	455,100	0	455,100
Other	16,332,000	17,102,000	17,102,000	0	17,102,000

Performance Information:

Standard: Issue license to non-test applicants within 15 minutes after examiner pulls record.

Measure: Percent of non-test applicants issued license within 15 minutes after examiner pulls record.

	79%	82%	82%	2%	84%
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Standard: Increase the percentage of driver license transactions conducted without the customer having to come to a driver license office.

Measure: Percent of non-test transactions conducted outside the office (via Internet, mail).

	23%	25%	27%	0	27%
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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349.03 Highway Patrol

The Highway Patrol Program was established to protect the traveling public and is responsible for the enforcement of all federal and state laws relating to traffic in general and relating to the safe operation of commercial vehicles on Tennessee roads and highways. There are eight primary services within the program: the Tennessee Highway Patrol (THP), Commercial Vehicle Enforcement (CVE), Pupil Transportation, Criminal Investigations Division (CID), Capitol/Executive Security, Training, Professional Standards, and Communications. Key activities include patrolling the highways, investigating crashes, issuing citations, inspecting and weighing commercial vehicles, collecting and disbursing various commercial motor vehicle taxes, registrations and permits, inspecting school buses and day care vans, and investigating vehicular thefts.

Full-Time	1,124	1,124	1,124	0	1,124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,124	1,124	1,124	0	1,124
Payroll	60,011,800	62,014,900	61,387,000	2,062,500	63,449,500
Operational	16,222,500	23,231,900	17,718,200	0	17,718,200
Total	\$76,234,300	\$85,246,800	\$79,105,200	\$2,062,500	\$81,167,700
State	68,758,600	73,863,900	69,445,300	2,062,500	71,507,800
Federal	4,228,700	5,549,900	5,554,900	0	5,554,900
Other	3,247,000	5,833,000	4,105,000	0	4,105,000

Performance Information:

Standard: Reduce the rate of highway fatalities.

Measure: Number of highway fatalities in Tennessee.

	1,114	1,125	1,120	0	1,120
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Standard: Reduce the rate of highway fatalities.

Measure: Highway fatality rate per 100 million vehicular miles traveled (VMT).

	1.62	1.61	1.60	0	1.60
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Standard: Reduce the rate of highway fatalities.

Measure: Number of DUI arrests by THP and CVE.

	4,623	4,662	4,662	0	4,662
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Standard: Reduce fatalities involving large trucks.

Measure: Fatalities involving large trucks.

	132	129	129	0	129
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Standard: Reduce fatalities involving large trucks.

Measure: Rate of fatalities involving large trucks per 100 million commercial vehicular miles traveled (CVMT).

	2.16	2.13	2.10	0	2.10
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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Standard: Reduce fatalities involving large trucks.

Measure: Average number of days to upload commercial motor vehicle inspection data to Federal database.

	30	20	20	0	20
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Standard: Ensure statutory compliance for certification of school buses.

Measure: Ratio of school buses to school bus inspections.

	1:1.3	1:1.4	1:1.4	0	1:1.4
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349.04 Motorcycle Rider Education

The Motorcycle Rider Education Program is legislatively mandated to establish standards for and administer the motorcycle rider education program for Tennessee residents who currently ride or those interested in learning to ride motorcycles safely. This is accomplished primarily through overseeing the Basic Rider and the Experienced Rider courses offered at various training sites statewide.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	62,500	99,500	99,500	0	99,500
Operational	58,400	84,100	83,800	0	83,800
Total	\$120,900	\$183,600	\$183,300	\$0	\$183,300
State	120,900	183,600	183,300	0	183,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Performance Information:

Standard: Increase enrollment in the Basic Rider and Experienced Rider education courses.

Measure: Number of students enrolled in a certified motorcycle rider education course.

	5,808	5,700	5,700	0	5,700
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349.06 Auto Theft Investigations

Auto Theft Investigations provides operational expenses to support the work led by the Criminal Investigations Division regarding vehicular thefts. Legislation mandates that property forfeited under specific conditions may be sold, with the proceeds retained by the Department for use in vehicle investigations. This program is purely a self-supporting funding mechanism, with no positions.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,400	350,100	350,100	0	350,100
Total	\$38,400	\$350,100	\$350,100	\$0	\$350,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	38,400	350,100	350,100	0	350,100

Performance Information:

Standard: Offset operational expenses for auto theft investigations through proceeds obtained as the result of selling seized property.

Measure: Percent of operational expenses for auto theft investigations funded through the sale of seized property.

6.5% 8.2% 11.4% 0 11.4%

349.07 Motor Vehicle Operations

Motor Vehicles Operations provides all commissioned officers with a vehicle to be used to enforce traffic laws on all state roads. The department currently patrols 70,652 miles of state roads and interstates. The program also provides pool cars for other departmental staff to carry out vital services such as bus inspections and school bus driver training; attorneys going to drug seizure and DUI hearings for confiscated vehicles; and repair of communication towers and radio repeater sites.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	7,239,900	7,238,000	7,189,900	42,700	7,232,600
Total	\$7,239,900	\$7,238,000	\$7,189,900	\$42,700	\$7,232,600
State	7,181,300	7,178,000	7,129,900	42,700	7,172,600
Federal	0	0	0	0	0
Other	58,600	60,000	60,000	0	60,000

Performance Information:

Standard: Replace pursuit vehicles at 85,000 miles.

Measure: Percentage of pursuit vehicles operating with mileage in excess of 85,000 miles.

37% 30% 30% 0 30%

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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349.08 Driver Education

Driver Education is mandated to promote safety on the highways. Driver Education accomplishes this goal by implementing two mandated services: (1) developing, promoting, and coordinating programs that increase public awareness of safety on Tennessee highways and (2) regulating commercial driving schools. Primary means of fulfilling these mandates are through presentations, public service announcements, demonstrations, and inspecting and licensing commercial highway safety.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	107,300	133,400	133,400	3,000	136,400
Operational	14,000	101,400	100,900	0	100,900
Total	\$121,300	\$234,800	\$234,300	\$3,000	\$237,300
State	121,300	234,800	234,300	3,000	237,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Performance Information:

Standard: Increase public awareness of safe driving principles.

Measure: Number of public and media events held to promote safe highways.

	1,440	1,500	1,550	0	1,550
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Standard: Provide safety education training and assistance to law enforcement officers.

Measure: Number of law enforcement officers receiving safety education training and assistance.

	178	200	200	0	200
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349.09 Tennessee Law Enforcement Training Academy

The purpose of the Tennessee Law Enforcement Training Academy (TLETA) is to provide basic and specialized training in all areas of law enforcement for all state and local law enforcement recruits and graduates. TLETA also provides training and consultative services to local, state, and national law enforcement associations. The training academy generally serves about half of new police recruits in the state. The major metropolitan areas are able to provide training for most of their own recruits, though occasionally they do utilize TLETA. In addition, there are two smaller training academies in eastern Tennessee, which also provide some basic training. In a typical year, there will be 1,000 new officers, 560 of whom receive their training at TLETA.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	26	25	25	0	25
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	27	26	26	0	26
Payroll	1,190,600	1,338,400	1,254,400	35,600	1,290,000
Operational	1,591,900	2,087,700	2,031,900	0	2,031,900
Total	\$2,782,500	\$3,426,100	\$3,286,300	\$35,600	\$3,321,900
State	2,023,200	2,521,200	2,381,400	35,600	2,417,000
Federal	0	0	0	0	0
Other	759,300	904,900	904,900	0	904,900

Performance Information:

Standard: Train new law enforcement recruits hired by agencies served by TLETA within six months of receiving their application.

Measure: Percentage of new recruits trained within six months after application received by TLETA.

100%	95%	95%	0	95%
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Standard: Offer a wide variety of specialized training schools.

Measure: Number of specialized training schools offered.

51	35	35	0	35
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349.10 P.O.S.T. Commission

The Tennessee Peace Officers Standards and Training (P.O.S.T.) Commission is responsible for developing and enforcing standards and training for all local police officers. Using a salary supplement as an incentive, the commission also promotes continuing law enforcement training for the full-time peace officers in Tennessee. The commission is composed of 18 members and includes local law enforcement personnel, legislators, and Tennessee citizens who are not connected with law.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	74,000	92,300	87,300	0	87,300
Operational	6,947,000	6,592,700	6,263,100	0	6,263,100
Total	\$7,021,000	\$6,685,000	\$6,350,400	\$0	\$6,350,400
State	7,021,000	6,685,000	6,350,400	0	6,350,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Performance Information:

Standard: Pay the salary supplement to full-time officers who have met P.O.S.T. standards for their continuing education.

Measure: Number of officers receiving salary supplement.

11,505	11,775	11,975	0	11,975
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	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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349.11 Titling and Registration

Titling and Registration (T&R) is established to protect the property interests of vehicle owners and is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating these activities through the 95 county clerks. Two of the highest volume services are issuance of titles and registration of all new and used vehicles in the state. T&R also serves as the central repository of all vehicle records in the state, maintains all of the variety of license plates issued, serves as a broker for the specialty plate funds, issues disabled plates and placards, drive out tags and temporary operating permits, and ensures all revenues owed by vehicle owners are properly collected.

Full-Time	182	160	160	22	182
Part-Time	7	0	0	0	0
Seasonal	0	0	0	0	0
Total	189	160	160	22	182
Payroll	5,580,000	5,679,000	5,679,000	932,000	6,611,000
Operational	12,665,400	18,774,200	12,865,400	10,056,100	22,921,500
Total	\$18,245,400	\$24,453,200	\$18,544,400	\$10,988,100	\$29,532,500
State	10,374,700	16,553,200	10,964,400	10,988,100	21,952,500
Federal	0	0	0	0	0
Other	7,870,700	7,900,000	7,580,000	0	7,580,000

Performance Information:

Standard: Increase the number of titles being issued by the county clerks.

Measure: Percent of titles issued locally by county clerks.

69%	67%	67%	10%	77%
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Standard: Improve access to T&R telephone information.

Measure: Percentage of abandoned calls to T&R telephone operators.

34%	34%	32%	0	32%
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Standard: Reduce registration renewal errors.

Measure: Percentage of renewal registration errors.

3.5%	3.0%	3.0%	0	3.0%
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349.12 Major Maintenance

Major Maintenance provides funds for buildings, sites, and departmentally specific items that are not covered under the Facilities Revolving Fund. This includes 43 communication sites (both radio towers and remote radio repeater sites) and such locations as the federally funded roadside commercial motor vehicle scale houses.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	289,000	240,000	200,000	0	200,000
Total	\$289,000	\$240,000	\$200,000	\$0	\$200,000
State	249,000	200,000	200,000	0	200,000
Federal	0	0	0	0	0
Other	40,000	40,000	0	0	0

Performance Information:

Standard: Maintain communication sites so that reliable radio coverage is provided for Department of Safety law enforcement personnel.

Measure: Number of communication sites maintained.

	43	43	43	0	43
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349.13 Technical Services

The Technical Services program is responsible for supporting the general record and data needs arising from legislative mandates, as well as the specific public safety need to protect the public from financially irresponsible and hazardous drivers. Technical Services is divided into four service areas: Information Systems, Financial Responsibility, Driver Improvement, and Crash Analysis.

Full-Time	181	162	162	0	162
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	181	162	162	0	162
Payroll	5,817,300	5,932,200	6,042,400	7,200	6,049,600
Operational	3,234,300	3,842,400	3,617,600	0	3,617,600
Total	\$9,051,600	\$9,774,600	\$9,660,000	\$7,200	\$9,667,200
State	2,347,300	2,135,500	2,020,900	7,200	2,028,100
Federal	0	0	0	0	0
Other	6,704,300	7,639,100	7,639,100	0	7,639,100

Performance Information:

Standard: Send mandatory license revocation letters to drivers convicted of DUI, manslaughter and other equally serious violations within 21 days after the department receives the court conviction record.

Measure: Average elapsed time in calendar days between the department's receiving mandatory convictions from the court and mailing the letter revoking the driver license.

	14	12	12	0	12
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Standard: Hold hearings for drivers whose licenses have accumulated suspension points within 60 days of mailing the proposed suspension letter.

Measure: Percent of hearings held within 60 calendar days of points suspension letter.

	87%	90%	92%	0	92%
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**Actual
2002-2003**

**Estimated
2003-2004**

**Base
2004-2005**

**Improvement
2004-2005**

**Recommended
2004-2005**

349.14 C.I.D. Anti-Theft Unit

The C.I.D. (Criminal Investigations Division) Anti-Theft Unit is set up to inspect all specially constructed and reconstructed vehicles, and funded by an inspection fee that re-builders and individuals pay to have their titles converted. This program is regulatory in nature, established for the purpose of combating theft.

Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	681,900	692,000	692,000	26,800	718,800
Operational	31,400	66,100	63,000	0	63,000
Total	\$713,300	\$758,100	\$755,000	\$26,800	\$781,800
State	709,600	758,100	755,000	26,800	781,800
Federal	3,700	0	0	0	0
Other	0	0	0	0	0

Performance Information:

Standard: Inspect salvaged or rebuilt vehicles within 28 days of receiving request for inspection.

Measure: Percent of salvaged or rebuilt vehicles inspected within 28 days.

Not Available	80%	80%	0	80%
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349.00 Department Total

Full-Time	1,923	1,863	1,863	22	1,885
Part-Time	21	14	14	0	14
Seasonal	0	0	0	0	0
Total	1,944	1,877	1,877	22	1,899
Payroll	87,024,000	90,090,600	88,985,000	3,078,000	92,063,000
Operational	58,351,000	74,922,800	61,388,100	10,653,300	72,041,400
Total	\$145,375,000	\$165,013,400	\$150,373,100	\$13,731,300	\$164,104,400
State	105,568,000	118,522,800	106,126,000	13,731,300	119,857,300
Federal	4,272,800	6,315,500	6,010,000	0	6,010,000
Other	35,534,200	40,175,100	38,237,100	0	38,237,100

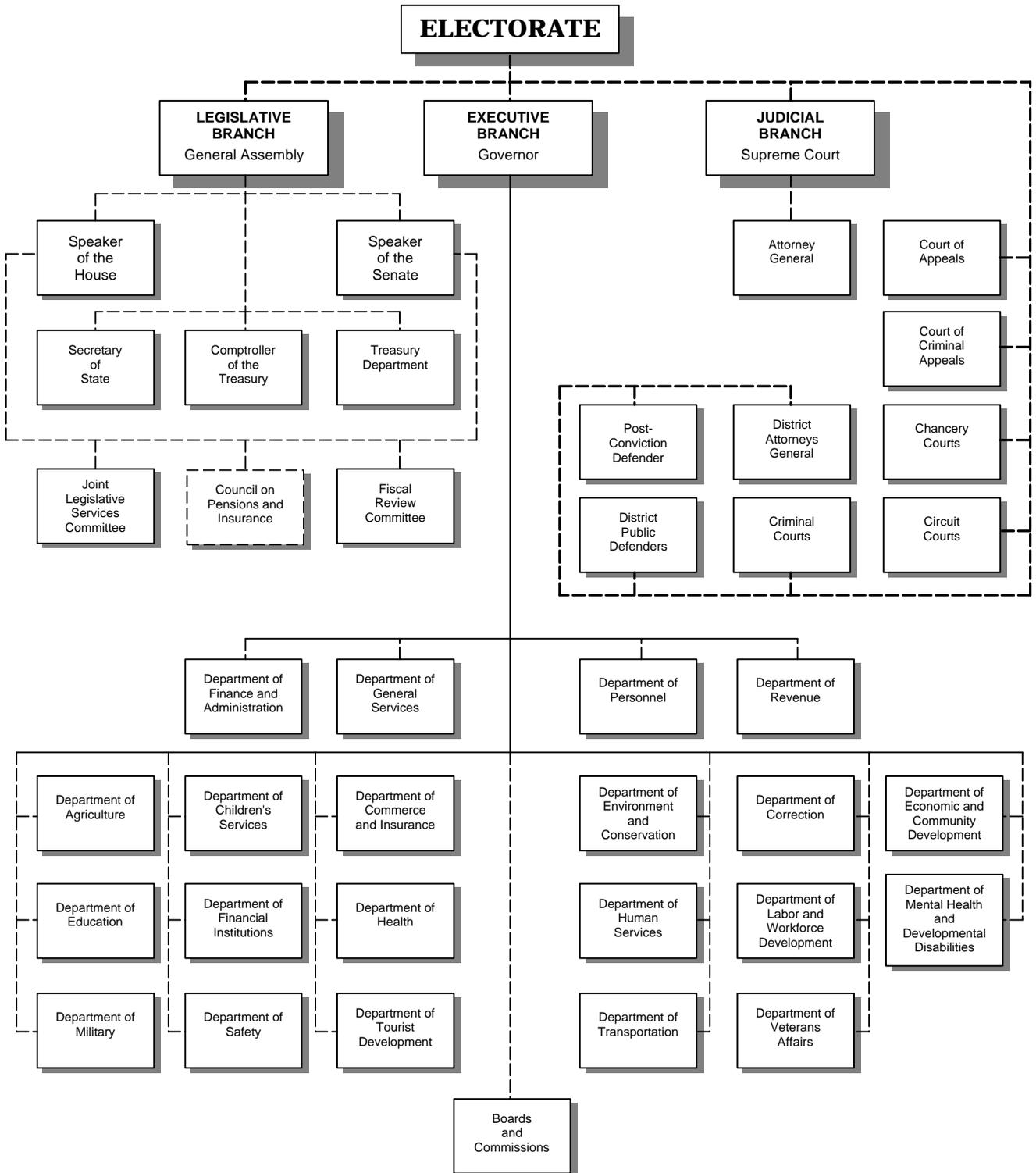
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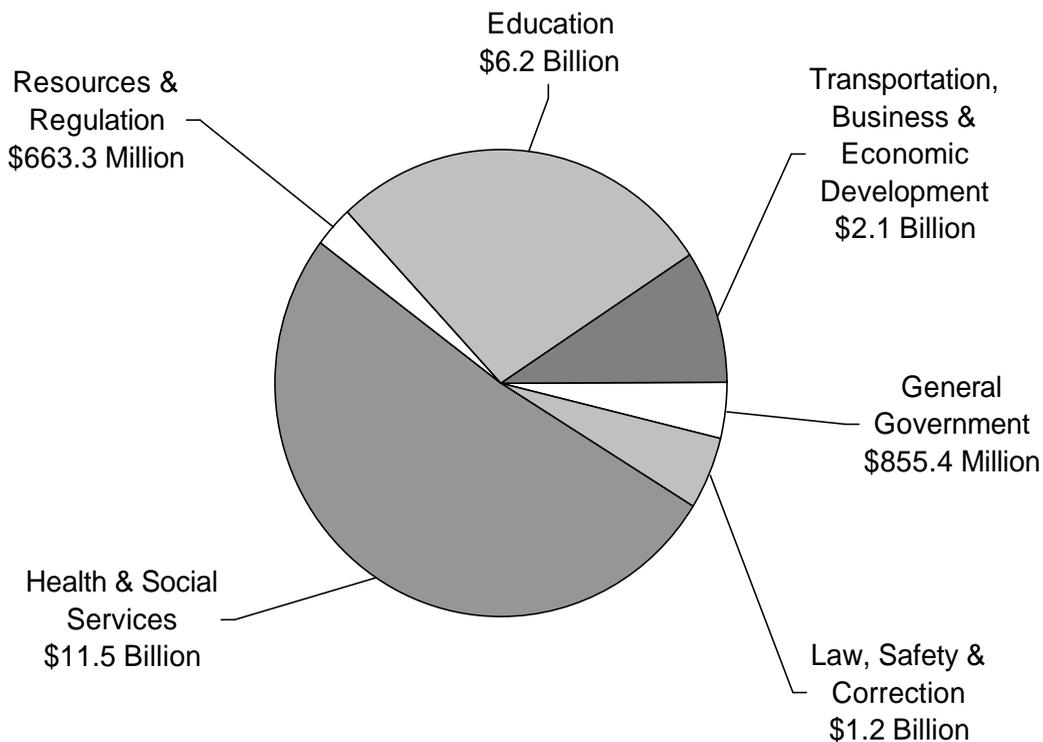
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TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2004 - 2005



Funds by Program Area FY 2004 - 2005 Recommended



\$22,405,120,100 Total

The departments and agencies of state government are grouped into six broad “functional areas.” This chart summarizes the FY 2004 - 2005 recommended funding allocated by area. The following sections of the budget document provide detailed information about the activities of each group.

General Government
Recommended Budget for Fiscal Year 2004-2005
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	27,509,700	0	1,602,700	29,112,400
301.50 Fiscal Review Committee	853,300	0	0	853,300
305.00 Secretary of State	22,731,400	5,846,700	7,258,500	35,836,600
307.00 Comptroller of the Treasury	58,270,500	0	10,000,400	68,270,900
309.00 Treasury Department	142,900	0	16,760,800	16,903,700
313.00 Claims and Compensation	9,408,500	3,168,000	68,467,700	81,044,200
315.00 Executive Department	3,611,400	0	0	3,611,400
315.05 Executive Department - Office of Homeland Security	843,100	0	1,187,100	2,030,200
316.04 Tennessee Human Rights Commission	1,397,600	433,900	0	1,831,500
316.11 Tennessee Regulatory Authority	7,145,100	350,000	4,100	7,499,200
316.12 Advisory Commission on Intergovernmental Relations	266,000	0	1,964,100	2,230,100
316.31 Tax Structure Study Commission	0	0	0	0
317.00 Finance and Administration	18,488,200	32,372,200	150,617,800	201,478,200
319.00 Personnel	4,313,200	0	4,593,500	8,906,700
321.00 General Services	2,063,600	0	87,558,500	89,622,100
323.00 Veterans Affairs	2,863,600	360,000	82,700	3,306,300
347.00 Revenue	43,646,000	22,000	18,778,400	62,446,400
351.00 Miscellaneous Appropriations	239,370,100	0	0	239,370,100
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	0	250,000
Total	\$443,993,500	\$42,552,800	\$368,876,300	\$855,422,600

Education
Recommended Budget for Fiscal Year 2004-2005
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	2,954,501,300	838,017,700	18,155,900	3,810,674,900
332.00 Higher Education	1,079,479,600	161,485,300	1,151,976,800 *	2,392,941,700
Total	\$4,033,980,900	\$999,503,000	\$1,170,132,700	\$6,203,616,600

* Includes Higher Education's tuition and fees and other revenue

Health and Social Services
Recommended Budget for Fiscal Year 2004-2005
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	1,496,500	6,899,400	2,296,600	10,692,500
316.02 Commission on Aging and Disability	8,462,300	23,608,200	2,105,000	34,175,500
316.07 Health Services and Development Agency	1,278,700	0	16,400	1,295,100
316.10 Council of Juvenile and Family Court Judges	432,600	0	45,000	477,600
318.00 Finance and Administration - TennCare Program	2,490,045,500	4,905,789,900	461,807,000	7,857,642,400
339.00 Mental Health and Developmental Disabilities	106,391,200	19,559,100	90,836,400	216,786,700
339.21 F&A - Mental Retardation Division	111,001,900	2,092,100	566,247,900	679,341,900
343.00 Health	101,197,400	252,438,100	109,236,200	462,871,700
345.00 Human Services	192,385,500	1,343,056,200	110,117,700	1,645,559,400
359.00 Children's Services	262,241,800	96,539,500	194,846,400	553,627,700
Total	\$3,274,933,400	\$6,649,982,500	\$1,537,554,600	\$11,462,470,500

Law, Safety and Correction
Recommended Budget for Fiscal Year 2004-2005
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	87,967,200	200,000	3,429,700	91,596,900
303.00 Attorney General and Reporter	17,302,900	0	10,056,100	27,359,000
304.00 District Attorneys General Conference	46,247,200	0	15,468,400	61,715,600
306.00 District Public Defenders Conference	27,096,100	0	1,053,000	28,149,100
308.00 Office of the Post-Conviction Defender	1,099,000	0	0	1,099,000
316.03 Alcoholic Beverage Commission	1,812,400	0	2,193,000	4,005,400
316.08 TRICOR	0	0	30,626,800	30,626,800
316.09 Corrections Institute	647,800	0	15,000	662,800
324.00 Board of Probation and Parole	56,784,900	0	440,000	57,224,900
329.00 Correction	518,710,200	15,784,700	15,278,100	549,773,000
341.00 Military	9,117,700	85,385,800	1,789,400	96,292,900
348.00 Tennessee Bureau of Investigation	25,069,400	7,581,200	11,519,700	44,170,300
349.00 Safety	119,857,300	6,010,000	38,237,100	164,104,400
Total	\$911,712,100	\$114,961,700	\$130,106,300	\$1,156,780,100

Resources and Regulation
Recommended Budget for Fiscal Year 2004-2005
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	4,014,000	631,500	14,900	4,660,400
316.27 State Museum	2,449,900	0	50,000	2,499,900
327.00 Environment and Conservation	150,092,000	75,263,200	86,219,800	311,575,000
328.00 Tennessee Wildlife Resource Agency	40,170,600	14,135,700	3,427,000	57,733,300
335.00 Commerce and Insurance	51,050,800	235,000	30,268,600	81,554,400
336.00 Financial Institutions	6,622,100	0	3,967,800	10,589,900
337.00 Labor and Workforce Development	25,288,100	159,264,500	10,168,500	194,721,100
Total	\$279,687,500	\$249,529,900	\$134,116,600	\$663,334,000

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2004-2005
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	250,826,800	14,435,400	265,262,200
325.00 Agriculture	59,643,000	10,165,400	8,706,600	78,515,000
326.00 Tourist Development	7,059,000	0	6,576,800	13,635,800
330.00 Economic and Community Development	48,093,900	34,829,300	11,715,100	94,638,300
400.00 Transportation	797,400,000	777,173,000	36,872,000	1,611,445,000
Total	\$912,195,900	\$1,072,994,500	\$78,305,900	\$2,063,496,300

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General Government

Recommended Budget, Fiscal Year 2004 – 2005

This functional area is comprised of those elements of state government that make and execute the laws and are responsible for the overall daily operation and coordination of the many activities of government.

This functional area represents a diverse group of departments and agencies. Included are the General Assembly and the three constitutional officers elected by that body:

- Secretary of State
- Comptroller of the Treasury
- State Treasurer.

The Executive Department, including the Governor's Office, oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, a budget is proposed, and public monies are spent wisely.

The Office of Homeland Security, a staff division of the Executive Department, is responsible for developing and implementing a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office interacts with the federal Department of Homeland Security and coordinates state homeland security actions through the Homeland Security Council, in order to assure a safe and healthy environment for all Tennesseans.

Also included in this functional group are the departments that assist the Governor in a staff function:

- Finance and Administration
- Personnel
- General Services
- Revenue.

These departments facilitate the successful operation of state government by providing support for all departments.

In addition, the Department of General Services and the Department of Finance and

Administration are responsible for overseeing and administering the State Office Building and Support Facilities Revolving Fund (FRF), which provides funding for a self-perpetuating maintenance and renovation program for state-owned buildings. Budget information concerning FRF can be found in the Capital Outlay and Facilities program section. Capital improvements and major maintenance projects are supported by this fund, as well as repair, upgrade, relocation, leased space, warehouse space, and facility management plans.

The Capital Projects and Real Property Management Division of the Department of Finance and Administration is responsible for capital improvements and maintenance projects and addressing the need for energy management in state-owned facilities. The Property Services Management Division of the Department of General Services is responsible for effectively managing, operating, and maintaining state office buildings. This department utilizes state employees and contracted services to effectively maintain these assets and deliver all appropriate services to the tenants.

This functional group also includes five agencies whose responsibilities affect many facets of government:

- Tennessee Regulatory Authority
- Human Rights Commission
- Advisory Commission on Intergovernmental Relations
- Veterans Affairs
- Tax Structure Study Commission.

The Tax Structure Study Commission was created effective July 4, 2002, by Public Chapter 856. The commission must report its findings, recommendations, and any proposed legislation to the General Assembly on or before July 1, 2004, at which time the commission will terminate.

According to the law, the commission will perform a comprehensive study of the tax

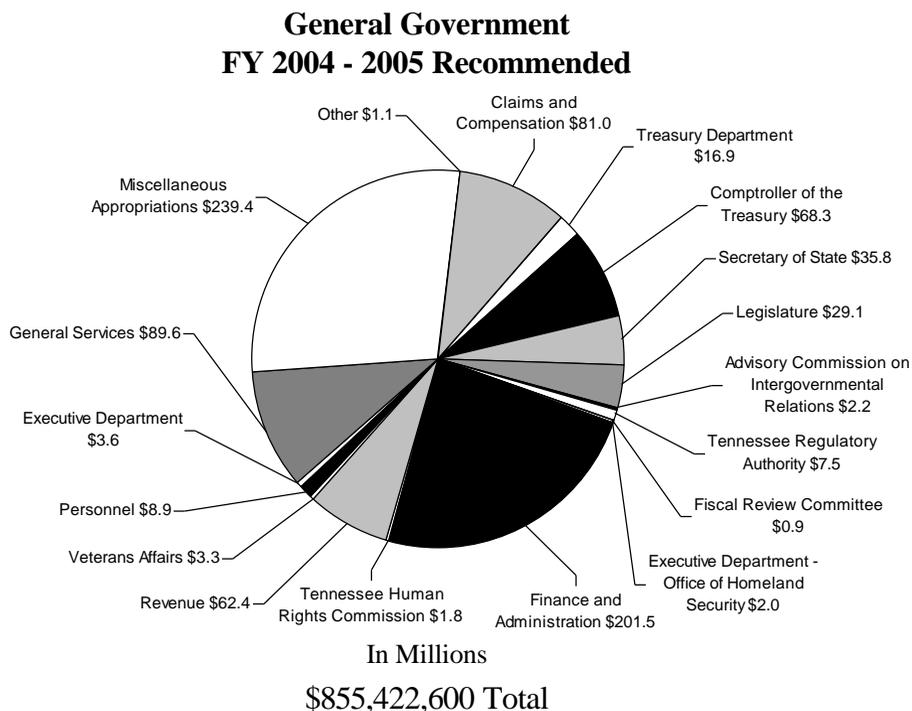
structure in Tennessee. The study will include state taxes, local taxes, special district taxes, and state-shared taxes. The commission will study the elasticity of the current tax structure, the effect of electronic-commerce upon the current tax structure, the method of allocation of state tax revenue, the effect of allocation of tax revenue based on situs of collection, current distribution formulas for tax revenue, special allocations of tax revenue based on population or tourism-related special treatment, and the deductibility of state and local taxes from federal taxes.

The commission also will study issues pertaining to exportability and federal deductibility of Tennessee's state and local taxes. The commission will evaluate the impact of various taxes upon the state's business climate and economic competitiveness. Issues involved in franchise, excise, and other business taxes also will be considered.

Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within the group. Funding mixes within each department vary, as some are exclusively state funded, while others represent state, federal, and other sources of funding.



General Government Total Personnel and Funding

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
Personnel			
Full Time	4,257	4,299	4,302
Part Time	192	171	171
Seasonal	21	21	21
TOTAL	4,470	4,491	4,494
Expenditures			
Payroll	\$192,661,800	\$225,447,800	\$226,331,300
Operational	402,285,100	429,039,700	629,091,300
TOTAL	\$594,946,900	\$654,487,500	\$855,422,600
Funding			
State	\$205,688,200	\$243,683,800	\$443,993,500
Federal	36,099,500	43,850,900	42,552,800
Other	353,159,200	366,952,800	368,876,300

General Government Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Comptroller of the Treasury					
• State Audit					
To provide funding for three auditors for review of lottery and scholarship financing. The State Audit Division will audit the new Lottery for Education Corporation's annual financial statement and will expand the audit of the Tennessee Student Assistance Corporation to include the lottery-funded scholarship program.					
307.04 Division of State Audit	\$0	\$0	\$162,600	\$162,600	3
Sub-total	\$0	\$0	\$162,600	\$162,600	3
Total Comptroller of the Treasury	\$0	\$0	\$162,600	\$162,600	3

Executive Department

• Intergovernmental Conference Dues					
To provide funding for an increase in intergovernmental conference dues. These national intergovernmental associations support both Executive and Legislative branch work.					
315.02 Intergovernmental Conferences	\$18,800	\$0	\$0	\$18,800	0
Sub-total	\$18,800	\$0	\$0	\$18,800	0
Total Executive Department	\$18,800	\$0	\$0	\$18,800	0

Tennessee Regulatory Authority

• Do Not Call Registry					
To update the Do Not Call Registry.					
316.11 Tennessee Regulatory Authority	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total Tennessee Regulatory Authority	\$100,000	\$0	\$0	\$100,000	0

Finance and Administration

• Geographic Information System					
To continue digitized mapping of land parcels from aerial photography for a Geographic Information System. Without additional funding, completion of the system will be delayed and current data would become outdated more quickly, particularly in high growth areas.					
317.03 Office of Information Resources	\$5,500,000	\$0	\$0	\$5,500,000	0
Sub-total	\$5,500,000	\$0	\$0	\$5,500,000	0

General Government Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Management Consulting					
To provide funding for a management consulting unit to help state agencies solve management and operational problems, develop multi-agency solutions, and establish implementation plans.					
317.07 Resource Development and Support	\$400,000	\$0	\$0	\$400,000	4
Sub-total	\$400,000	\$0	\$0	\$400,000	4
Total Finance and Administration	\$5,900,000	\$0	\$0	\$5,900,000	4

Veterans Affairs

• Veterans Information Management					
To provide funding for a veterans information management system. This will improve many manual processes in the claims and field division.					
323.00 Veterans Affairs	\$122,000	\$0	\$0	\$122,000	0
Sub-total	\$122,000	\$0	\$0	\$122,000	0
Total Veterans Affairs	\$122,000	\$0	\$0	\$122,000	0

Miscellaneous Appropriations

• Salary Increase - State and Higher Education Employees - July 1, 2004					
To fund a 2% salary increase for state and higher education employees on July 1, 2004. In the higher education systems, this funds the raise in the non-tuition units; the other units will provide funds for a 2% raise from tuition increases. Funds are recommended elsewhere in the budget for a 2% salary increase for teachers and other K-12 employees.					
351.00 Miscellaneous Appropriations	\$24,200,000	\$0	\$0	\$24,200,000	0
Sub-total	\$24,200,000	\$0	\$0	\$24,200,000	0
• Salary Bonus - State and Higher Education Employees					
To fund a one-time 1% salary bonus for state and higher education employees. Funds are recommended elsewhere, in the Education Department budget, for a one-time 1% salary bonus for teachers and other K-12 employees.					
351.00 Miscellaneous Appropriations	\$24,400,000	\$0	\$0	\$24,400,000	0
Sub-total	\$24,400,000	\$0	\$0	\$24,400,000	0
• Classification-Compensation - State Employees					
To provide funds for classification-compensation salary adjustments for state employees.					
351.00 Miscellaneous Appropriations	\$7,500,000	\$0	\$0	\$7,500,000	0
Sub-total	\$7,500,000	\$0	\$0	\$7,500,000	0

General Government Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2004					
To provide funding to annualize the state share of the January 1, 2004, group health insurance premium increase for state and higher education employees, which was funded for six months in the current-year budget. K-12 education funding to annualize the premium increase is included in the Education Department budget.					
351.00 Miscellaneous Appropriations	\$11,000,000	\$0	\$0	\$11,000,000	0
Sub-total	\$11,000,000	\$0	\$0	\$11,000,000	0
• Group Health Insurance - January 1, 2005					
To provide funding for the state share of a January 1, 2005, group health insurance premium increase for state and higher education employees. This is funded for six months in the recommended budget. K-12 education funding for this rate increase is included in the Education Department budget.					
351.00 Miscellaneous Appropriations	\$16,300,000	\$0	\$0	\$16,300,000	0
Sub-total	\$16,300,000	\$0	\$0	\$16,300,000	0
• Retired Teachers Insurance					
To provide additional funding for retired teachers health insurance.					
351.00 Miscellaneous Appropriations	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• Tennessee Consolidated Retirement System - July 1, 2004					
To provide funding for a Tennessee Consolidated Retirement System (TCRS) rate increase effective July 1, 2004. This includes funds for state agencies, higher education, and K-12 local education agencies.					
351.00 Miscellaneous Appropriations	\$73,400,000	\$0	\$0	\$73,400,000	0
Sub-total	\$73,400,000	\$0	\$0	\$73,400,000	0
• Board of Claims Premium					
To provide funding for a Board of Claims premium increase effective July 1, 2004.					
351.00 Miscellaneous Appropriations	\$1,200,000	\$0	\$0	\$1,200,000	0
Sub-total	\$1,200,000	\$0	\$0	\$1,200,000	0

General Government Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Imagination Library					
To provide funding to expand the Imagination Library. This initiative will expand Dolly Parton's Imagination Library program through a public-private partnership. The goal of the Imagination Library is to allow every child from birth to the beginning of kindergarten to receive a book per month. Successful early childhood reading initiatives have a significant impact on a child's ability to learn. This initiative will support the goal to have every child reading at grade level by the end of the 3rd grade.					
351.00 Miscellaneous Appropriations	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Information Systems Development					
To provide funding for information systems development projects.					
351.00 Miscellaneous Appropriations	\$38,000,000	\$0	\$0	\$38,000,000	0
Sub-total	\$38,000,000	\$0	\$0	\$38,000,000	0
• Performance-Based Budgeting					
To provide funding to continue implementation of performance-based budgeting. These funds will be distributed to affected agencies in the next round of the program.					
351.00 Miscellaneous Appropriations	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
Total Miscellaneous Appropriations	\$200,000,000	\$0	\$0	\$200,000,000	0
Total General Government	\$206,140,800	\$0	\$162,600	\$206,303,400	7

Legislature

As the legislative branch of Tennessee State Government, the General Assembly consists of the Senate and the House of Representatives. The primary powers vested in it by the Constitution of the State include the enactment of laws for all citizens and the financing of state government operations by levying taxes and appropriating state revenues.

Administrative and Support Services

The various support offices of the Legislature are charged with the operational administration of the two houses. Their responsibilities include:

- Printing and distributing bills and calendars during legislative sessions
- Conducting research on legislation
- Summarizing and dispersing information relating to legislation
- Assisting in formulation of legislation
- Providing summaries and abstracts of legislation to be considered
- Rendering legal opinions concerning legislation
- Continually reviewing Public Chapters.

	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
301.01 Legislative Administration Services					
Full-Time	18	18	18	0	18
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	956,500	1,088,000	1,088,000	0	1,088,000
Operational	3,139,900	3,304,100	3,303,300	0	3,303,300
Total	\$4,096,400	\$4,392,100	\$4,391,300	\$0	\$4,391,300
State	4,070,700	4,133,400	4,132,600	0	4,132,600
Federal	0	0	0	0	0
Other	25,700	258,700	258,700	0	258,700
301.16 General Assembly Support Services					
Full-Time	62	62	62	0	62
Part-Time	29	29	29	0	29
Seasonal	0	0	0	0	0
Total	91	91	91	0	91
Payroll	4,168,700	4,775,400	4,775,400	0	4,775,400
Operational	767,200	1,086,800	1,083,000	0	1,083,000
Total	\$4,935,900	\$5,862,200	\$5,858,400	\$0	\$5,858,400
State	4,814,800	4,568,700	4,564,900	0	4,564,900
Federal	0	0	0	0	0
Other	121,100	1,293,500	1,293,500	0	1,293,500

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
301.17 Tennessee Code Commission					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	50,800	69,600	69,600	0	69,600
Total	\$50,800	\$69,600	\$69,600	\$0	\$69,600
State	50,800	69,600	69,600	0	69,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

Legislative Services

Legislative Services provides financial and administrative support for the General Assembly. Funds are disbursed for the payment of Senate and House members' expenses, for the operating costs of the two Speakers, and for expenses incurred by the standing committees of the two houses. Select committees are created to focus on special needs that the General Assembly feels merit closer study. The Fiscal Review Committee informs members of the General Assembly of the economic factors that impact the state. The staff is responsible for preparing fiscal notes on all bills and resolutions that may have a financial effect on the agencies of state government. These notes are also executed for bills that have an effect on local governments.

301.07 House of Representatives

Full-Time	206	206	206	0	206
Part-Time	40	40	40	0	40
Seasonal	0	0	0	0	0
Total	246	246	246	0	246
Payroll	8,688,300	9,209,000	9,209,000	0	9,209,000
Operational	2,220,700	2,777,000	2,772,400	0	2,772,400
Total	\$10,909,000	\$11,986,000	\$11,981,400	\$0	\$11,981,400
State	10,865,500	11,957,500	11,952,900	0	11,952,900
Federal	0	0	0	0	0
Other	43,500	28,500	28,500	0	28,500

301.08 State Senate

Full-Time	100	100	100	0	100
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	154	154	154	0	154
Payroll	4,749,200	5,345,300	5,345,300	0	5,345,300
Operational	1,171,200	975,700	972,400	0	972,400
Total	\$5,920,400	\$6,321,000	\$6,317,700	\$0	\$6,317,700
State	5,898,500	6,299,000	6,295,700	0	6,295,700
Federal	0	0	0	0	0
Other	21,900	22,000	22,000	0	22,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
301.13 General Assembly Committees					
Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	383,200	403,700	403,700	0	403,700
Operational	76,100	90,700	90,300	0	90,300
Total	\$459,300	\$494,400	\$494,000	\$0	\$494,000
State	459,300	494,400	494,000	0	494,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
301.00 Department Total					
Full-Time	393	393	393	0	393
Part-Time	126	126	126	0	126
Seasonal	0	0	0	0	0
Total	519	519	519	0	519
Payroll	18,945,900	20,821,400	20,821,400	0	20,821,400
Operational	7,425,900	8,303,900	8,291,000	0	8,291,000
Total	\$26,371,800	\$29,125,300	\$29,112,400	\$0	\$29,112,400
State	26,159,600	27,522,600	27,509,700	0	27,509,700
Federal	0	0	0	0	0
Other	212,200	1,602,700	1,602,700	0	1,602,700

Fiscal Review Committee

Within the General Assembly, the Fiscal Review Committee is a special, continuing committee. It is comprised of the Speaker of the Senate, the Speaker of the House of Representatives, the chairs of the Senate and the House Finance, Ways and Means committees and 15 other members of the General Assembly who are appointed from each house by the respective speaker.

The purpose of this committee is to become knowledgeable about the fiscal affairs of the state and to impart this knowledge to the members of the General Assembly. The committee conducts a continuing review of the finances of state government and of state agencies and programs. The committee also has the responsibility under law of preparing and distributing fiscal notes on all legislation. The committee has a staff and an executive director to assist with these functions.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
301.50 Fiscal Review Committee					
Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	812,900	791,800	836,000	0	836,000
Operational	12,100	11,900	17,300	0	17,300
Total	\$825,000	\$803,700	\$853,300	\$0	\$853,300
State	793,000	752,200	853,300	0	853,300
Federal	0	0	0	0	0
Other	32,000	51,500	0	0	0

Secretary of State

The Secretary of State is a constitutional officer elected by the General Assembly to record and maintain the official acts of the Governor. The specific duties of the Secretary of State include:

- Recording the acts of the General Assembly
- Registering trademarks
- Receiving and recording corporate charter applications
- Administering the provisions of the Uniform Commercial Code
- Administering the provisions of the Uniform Administrative Procedures Act
- Managing the State Library and Archives and promoting library services in Tennessee
- Coordinating elections in Tennessee
- Administering the statutes relative to charitable solicitations in Tennessee.

The State Election Commission, Registry of Election Finance, and the Economic Council on Women are administratively attached to the Secretary of State. The two program areas that comprise the Secretary of State's Office are Administrative and Support Services and State Library Services.

Administrative and Support Services

Administrative and support services provide services essential to carrying out the responsibilities of the Secretary of State. These responsibilities and programs include:

- Processing and handling record keeping for corporate filings, the Uniform Commercial Code, notaries public, and trademarks
- Hearing contested cases and reviewing administrative records for numerous state agencies and regulatory boards
- Providing information on how donations to charitable organizations are utilized and reviewing these organizations and the for-profit organizations they employ
- Providing fiscal and managerial support to the department
- Providing operational support to the State Election Commission to ensure uniformity in the administration of election laws
- Maintaining public documents on elections and campaigns to be available to the public and media
- Publishing Tennessee Public and Private Acts, the Tennessee Administrative Register, the Compilation of Tennessee Rules and Regulations, the Blue Book, and manuals regarding public elections and corporate filings.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
305.01 Secretary of State					
Full-Time	198	204	204	0	204
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	198	204	204	0	204
Payroll	8,782,000	10,959,400	10,959,400	0	10,959,400
Operational	2,825,600	6,559,000	5,056,000	0	5,056,000
Total	\$11,607,600	\$17,518,400	\$16,015,400	\$0	\$16,015,400
State	3,149,400	7,164,800	7,161,800	0	7,161,800
Federal	0	2,300,000	2,300,000	0	2,300,000
Other	8,458,200	8,053,600	6,553,600	0	6,553,600

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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305.02 State Election Commission

Full-Time	0	0	0	0	0
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	77,900	92,400	92,400	0	92,400
Operational	1,669,600	1,584,600	1,584,600	0	1,584,600
Total	\$1,747,500	\$1,677,000	\$1,677,000	\$0	\$1,677,000
State	1,747,500	1,677,000	1,677,000	0	1,677,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.03 Public Documents

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	257,800	507,600	507,600	0	507,600
Total	\$257,800	\$507,600	\$507,600	\$0	\$507,600
State	198,100	387,600	387,600	0	387,600
Federal	0	0	0	0	0
Other	59,700	120,000	120,000	0	120,000

The Registry of Election Finance provides enforcement of the reporting requirements of the Campaign Financial Disclosure Law, Lobbyist Registration and Disclosure Law, and Conflict of Interest Disclosure Law. The registry also provides disclosure information to which the public is entitled by law.

305.07 Registry of Election Finance

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	242,200	248,100	248,100	0	248,100
Operational	85,400	223,300	104,200	0	104,200
Total	\$327,600	\$471,400	\$352,300	\$0	\$352,300
State	249,100	318,800	309,300	0	309,300
Federal	0	0	0	0	0
Other	78,500	152,600	43,000	0	43,000

State Library Services

Responsibilities of state library services include:

- Managing the State Library and Archives, including the Regional Library System
- Acquiring, restoring, and preserving historical material for public use
- Providing special library services to aged, isolated, economically and culturally disadvantaged, and disabled citizens, including the Library for the Blind and Physically Handicapped
- Providing access to collections for both government and public use
- Assisting local public libraries through the state regional library system
- Administering federal funds provided for library construction and renovation.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
305.04 State Library and Archives					
Full-Time	106	102	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	106	102	102	0	102
Payroll	4,464,700	4,758,300	4,758,300	0	4,758,300
Operational	3,345,900	4,459,700	4,458,200	0	4,458,200
Total	\$7,810,600	\$9,218,000	\$9,216,500	\$0	\$9,216,500
State	5,558,100	6,214,900	6,213,400	0	6,213,400
Federal	1,836,400	2,669,200	2,669,200	0	2,669,200
Other	416,100	333,900	333,900	0	333,900
305.05 Regional Library System					
Full-Time	93	93	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	93	93	0	93
Payroll	3,576,200	4,006,900	4,006,900	0	4,006,900
Operational	2,862,700	3,501,700	3,499,300	0	3,499,300
Total	\$6,438,900	\$7,508,600	\$7,506,200	\$0	\$7,506,200
State	5,710,700	6,891,100	6,888,700	0	6,888,700
Federal	539,500	477,500	477,500	0	477,500
Other	188,700	140,000	140,000	0	140,000

	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
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305.06 Library Construction

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	160,900	550,000	400,000	0	400,000
Total	\$160,900	\$550,000	\$400,000	\$0	\$400,000
State	0	0	0	0	0
Federal	10,900	400,000	400,000	0	400,000
Other	150,000	150,000	0	0	0

Economic Council on Women

The 21 member Economic Council on Women was established to address the economic concerns and needs of women in Tennessee. The council conducts research, holds hearings, and develops policy recommendations relating to the effects of employment policies and practices, educational needs and opportunities, child care, property rights, health care, domestic relations, and federal and state laws on women.

305.08 Economic Council on Women

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	124,600	133,300	133,300	0	133,300
Operational	29,200	28,300	28,300	0	28,300
Total	\$153,800	\$161,600	\$161,600	\$0	\$161,600
State	97,800	93,600	93,600	0	93,600
Federal	0	0	0	0	0
Other	56,000	68,000	68,000	0	68,000

305.00 Department Total

Full-Time	405	407	407	0	407
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	410	412	412	0	412
Payroll	17,267,600	20,198,400	20,198,400	0	20,198,400
Operational	11,237,100	17,414,200	15,638,200	0	15,638,200
Total	\$28,504,700	\$37,612,600	\$35,836,600	\$0	\$35,836,600
State	16,710,700	22,747,800	22,731,400	0	22,731,400
Federal	2,386,800	5,846,700	5,846,700	0	5,846,700
Other	9,407,200	9,018,100	7,258,500	0	7,258,500

Comptroller of the Treasury

The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties include the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas:

- Administrative and support services
- Audit services
- Bond finance services
- Services to local governments
- Offices of Research and Education Accountability
- Office of State Assessed Properties.

Administrative and Support Services

The Administrative and Support divisions direct and coordinate administrative activities within various divisions of the Comptroller's office. They also provide printing, duplicating, and processing of out-going mail for the legislature and constitutional offices.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
307.01 Division of Administration					
Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	550,100	632,400	632,400	0	632,400
Operational	115,000	121,800	121,400	0	121,400
Total	\$665,100	\$754,200	\$753,800	\$0	\$753,800
State	563,100	652,300	651,900	0	651,900
Federal	0	0	0	0	0
Other	102,000	101,900	101,900	0	101,900
307.02 Office of Management Services					
Full-Time	44	47	47	0	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	47	47	0	47
Payroll	2,461,700	2,673,900	2,673,900	0	2,673,900
Operational	2,155,600	3,113,400	3,112,200	0	3,112,200
Total	\$4,617,300	\$5,787,300	\$5,786,100	\$0	\$5,786,100
State	4,550,400	5,534,800	5,533,600	0	5,533,600
Federal	0	0	0	0	0
Other	66,900	252,500	252,500	0	252,500

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
307.03 Capitol Print Shop					
Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	17	0	17
Payroll	513,300	687,200	687,200	0	687,200
Operational	468,300	740,500	740,300	0	740,300
Total	\$981,600	\$1,427,700	\$1,427,500	\$0	\$1,427,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	981,600	1,427,700	1,427,500	0	1,427,500

Audit Services

The audit divisions are responsible for conducting post-audits of the state's Comprehensive Annual Financial Report and other entities and grantees as required by federal and state law and in compliance with government auditing standards. The divisions also audit all counties, or in lieu of a state audit, accept an audit prepared by either a certified public accountant or a licensed public accountant. Likewise, the divisions provide for the audit of all municipalities, schools, and utility districts in the state. The divisions set rates for nursing facilities that participate in the state TennCare program and conduct financial related reviews of Managed Care Organizations (MCOs) and Behavioral Health Organizations (BHOs).

307.04 Division of State Audit

Full-Time	200	200	200	3	203
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	200	200	200	3	203
Payroll	10,563,000	11,375,300	11,375,300	147,600	11,522,900
Operational	1,187,400	1,559,700	1,554,800	15,000	1,569,800
Total	\$11,750,400	\$12,935,000	\$12,930,100	\$162,600	\$13,092,700
State	8,089,100	8,671,200	8,666,300	0	8,666,300
Federal	0	0	0	0	0
Other	3,661,300	4,263,800	4,263,800	162,600	4,426,400

307.05 Division of County Audit

Full-Time	92	92	92	0	92
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	92	92	0	92
Payroll	5,624,100	5,924,500	5,924,500	0	5,924,500
Operational	719,800	787,800	785,200	0	785,200
Total	\$6,343,900	\$6,712,300	\$6,709,700	\$0	\$6,709,700
State	5,458,200	5,912,300	5,909,700	0	5,909,700
Federal	0	0	0	0	0
Other	885,700	800,000	800,000	0	800,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
307.06 Division of Municipal Audit					
Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,212,900	1,247,500	1,247,500	0	1,247,500
Operational	161,800	232,100	231,600	0	231,600
Total	\$1,374,700	\$1,479,600	\$1,479,100	\$0	\$1,479,100
State	1,204,600	1,264,600	1,264,100	0	1,264,100
Federal	0	0	0	0	0
Other	170,100	215,000	215,000	0	215,000

Bond Finance Services

The bond finance function is responsible for providing services related to the state's general obligation debt issued by the State Funding Board; the revenue debt for the Tennessee Local Development Authority (TLDA); the revenue debt by the Tennessee Housing Development Agency (THDA), and the Tennessee State School Bond Authority (TSSBA). The Division of Bond Finance is responsible for administering the financing programs of these issuers.

307.07 Division of Bond Finance

Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	0	9
Payroll	422,500	533,200	533,200	0	533,200
Operational	131,500	216,800	171,700	0	171,700
Total	\$554,000	\$750,000	\$704,900	\$0	\$704,900
State	207,700	330,100	330,000	0	330,000
Federal	0	0	0	0	0
Other	346,300	419,900	374,900	0	374,900

Services to Local Governments

The local government functional area works toward improving the operation of the state's city and county governments by providing assistance and information that affects the state and local governments. In addition, they are required to assist local governments with debt management and ensure that local governments adopt balanced budgets. They also act as an agent and liaison between state, county, and city ad valorem tax assessments and collecting officials. They serve property assessors and tax collecting officials through property reappraisal assistance; computerized tax billing; computer-assisted appraisal systems; maintenance of property ownership maps; and reimbursement to certain elderly, disabled, or disabled veteran homeowners for a part or all of property taxes paid.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
307.08 Office of Local Government					
Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	217,500	247,800	247,800	0	247,800
Operational	37,700	61,500	61,400	0	61,400
Total	\$255,200	\$309,300	\$309,200	\$0	\$309,200
State	247,100	309,300	309,200	0	309,200
Federal	0	0	0	0	0
Other	8,100	0	0	0	0
307.09 Division of Property Assessments					
Full-Time	170	168	168	0	168
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
Total	191	189	189	0	189
Payroll	6,535,200	7,177,000	7,177,000	0	7,177,000
Operational	1,877,900	2,319,400	2,316,300	0	2,316,300
Total	\$8,413,100	\$9,496,400	\$9,493,300	\$0	\$9,493,300
State	6,606,700	7,881,400	7,878,300	0	7,878,300
Federal	0	0	0	0	0
Other	1,806,400	1,615,000	1,615,000	0	1,615,000
307.10 Tax Relief					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,869,300	10,000,000	10,000,000	0	10,000,000
Total	\$9,869,300	\$10,000,000	\$10,000,000	\$0	\$10,000,000
State	9,869,300	10,000,000	10,000,000	0	10,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
307.11 State Board of Equalization					
Full-Time	10	7	7	0	7
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	18	15	15	0	15
Payroll	640,500	403,700	403,700	0	403,700
Operational	2,389,600	2,483,000	2,482,800	0	2,482,800
Total	\$3,030,100	\$2,886,700	\$2,886,500	\$0	\$2,886,500

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
State	3,013,900	2,804,200	2,804,000	0	2,804,000
Federal	0	0	0	0	0
Other	16,200	82,500	82,500	0	82,500

307.12 Division of Local Finance

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	262,200	293,400	293,400	0	293,400
Operational	38,600	45,400	45,300	0	45,300
Total	\$300,800	\$338,800	\$338,700	\$0	\$338,700
State	299,900	338,800	338,700	0	338,700
Federal	0	0	0	0	0
Other	900	0	0	0	0

Offices of Research and Education Accountability

The Offices of Research and Education Accountability provide research and staff support for the General Assembly and provides oversight for the state's K-12 education system in accordance with the Education Improvement Act.

307.14 Offices of Research and Education Accountability

Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	917,800	995,300	995,300	0	995,300
Operational	741,300	766,700	766,200	0	766,200
Total	\$1,659,100	\$1,762,000	\$1,761,500	\$0	\$1,761,500
State	1,106,600	1,209,400	1,208,900	0	1,208,900
Federal	0	0	0	0	0
Other	552,500	552,600	552,600	0	552,600

Office of State Assessed Properties

The Office of State Assessed Properties annually assesses all tangible and intangible properties for tax purposes at the state, county, and municipal levels. In addition, the division also assesses personal properties used and/or leased by the companies under its jurisdiction and conducts audits of public utility and transportation companies.

307.15 Office of State Assessed Properties

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	667,600	801,200	801,200	0	801,200
Operational	126,500	164,800	164,600	0	164,600
Total	\$794,100	\$966,000	\$965,800	\$0	\$965,800
State	667,200	866,000	865,800	0	865,800
Federal	0	0	0	0	0
Other	126,900	100,000	100,000	0	100,000

Telecommunications Ad Valorem Tax Equity Payments

The Telecommunications Ad Valorem Tax Equity fund was established to reimburse local telecommunications companies for property tax liabilities that exceed assessment levels applicable to average commercial and industrial taxpayers.

307.50 Telecommunications Ad Valorem Tax Equity Payments

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	19,527,600	12,562,100	12,562,100	0	12,562,100
Total	\$19,527,600	\$12,562,100	\$12,562,100	\$0	\$12,562,100
State	19,338,500	12,510,000	12,510,000	0	12,510,000
Federal	0	0	0	0	0
Other	189,100	52,100	52,100	0	52,100

307.00 Department Total

Full-Time	611	609	609	3	612
Part-Time	8	8	8	0	8
Seasonal	21	21	21	0	21
Total	640	638	638	3	641
Payroll	30,588,400	32,992,400	32,992,400	147,600	33,140,000
Operational	39,547,900	35,175,000	35,115,900	15,000	35,130,900
Total	\$70,136,300	\$68,167,400	\$68,108,300	\$162,600	\$68,270,900
State	61,222,300	58,284,400	58,270,500	0	58,270,500
Federal	0	0	0	0	0
Other	8,914,000	9,883,000	9,837,800	162,600	10,000,400

Treasury Department

The State Treasurer is a constitutional officer elected by the General Assembly. The State Treasurer is charged with various responsibilities and duties relating to the financial operations of state government. The duties of the State Treasurer include:

- Administering the Tennessee Consolidated Retirement System which provides retirement coverage to state employees, higher education employees, teachers, and employees of political subdivisions that have elected to participate in the plan
- Managing the State Pooled Investment Fund which includes the state’s cash, the various reserves, trust funds of the state, and the Local Government Investment Pool
- Overseeing the State Employees’ Deferred Compensation Program and the State Employees’ Flexible Benefits Plan
- Directing the staff of the Claims Administration and Risk Management divisions
- Administering the Baccalaureate Education System Trust (BEST) to assist students or their families in financing a portion of the costs of attending colleges and universities
- Overseeing the three-member claims commission which is administratively attached to the Treasury. Payments are awarded from the Claims Award Fund administered by the State Treasurer in cases of employee negligence and for state employee workers’ compensation claims, contract actions, and tax recovery.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
309.01 Treasury Department					
Full-Time	204	204	204	0	204
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	204	204	0	204
Payroll	9,927,200	11,163,000	11,163,000	0	11,163,000
Operational	4,212,600	6,385,400	5,685,900	0	5,685,900
Total	\$14,139,800	\$17,548,400	\$16,848,900	\$0	\$16,848,900
State	526,600	88,100	88,100	0	88,100
Federal	0	0	0	0	0
Other	13,613,200	17,460,300	16,760,800	0	16,760,800

The State Treasurer also administers an annual educational incentive payment program for certain county officials who complete the advanced level of a three-level certificate training program. This program is offered by the University of Tennessee Institute for Public Service’s Center for Government Training. The “Certified Public Administrators” must maintain continuing education in order to qualify for these annual educational incentive payments.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
309.02 Certified Public Administrators					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	58,600	54,800	54,800	0	54,800
Total	\$58,600	\$54,800	\$54,800	\$0	\$54,800
State	58,600	54,800	54,800	0	54,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
309.00 Department Total					
Full-Time	204	204	204	0	204
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	204	204	0	204
Payroll	9,927,200	11,163,000	11,163,000	0	11,163,000
Operational	4,271,200	6,440,200	5,740,700	0	5,740,700
Total	\$14,198,400	\$17,603,200	\$16,903,700	\$0	\$16,903,700
State	585,200	142,900	142,900	0	142,900
Federal	0	0	0	0	0
Other	13,613,200	17,460,300	16,760,800	0	16,760,800

Claims and Compensation

Claims and Compensation handles all claims filed with the state. Claims administered include the Criminal Injuries Compensation Fund (CICF), Risk Management Fund (RMF), and Unclaimed Property. Their responsibilities include the following:

- Making payments to defray the costs of medical services, loss of earnings, burial costs, and other pecuniary losses to either the victim of a crime or to the dependents of deceased victims
- Maintaining adequate insurance against damage or loss for all state-owned property
- Servicing claims for risk of loss to which the state is exposed including general liability, automobile liability, professional malpractice, and worker's compensation
- Taking custody of abandoned property and attempting to locate the rightful owners or their heirs.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
313.03 Criminal Injuries Compensation					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,365,700	12,576,500	12,576,500	0	12,576,500
Total	\$10,365,700	\$12,576,500	\$12,576,500	\$0	\$12,576,500
State	5,175,500	8,125,500	9,408,500	0	9,408,500
Federal	5,095,000	4,451,000	3,168,000	0	3,168,000
Other	95,200	0	0	0	0
313.10 Risk Management Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,640,400	48,985,400	51,167,700	0	51,167,700
Total	\$38,640,400	\$48,985,400	\$51,167,700	\$0	\$51,167,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	38,640,400	48,985,400	51,167,700	0	51,167,700
313.20 Unclaimed Property					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,728,600	13,275,000	17,300,000	0	17,300,000
Total	\$13,728,600	\$13,275,000	\$17,300,000	\$0	\$17,300,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	13,728,600	13,275,000	17,300,000	0	17,300,000

313.00 Department Total

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	62,734,700	74,836,900	81,044,200	0	81,044,200
Total	\$62,734,700	\$74,836,900	\$81,044,200	\$0	\$81,044,200
State	5,175,500	8,125,500	9,408,500	0	9,408,500
Federal	5,095,000	4,451,000	3,168,000	0	3,168,000
Other	52,464,200	62,260,400	68,467,700	0	68,467,700

Executive Department

The Executive Department oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, and public funds are spent wisely. The department is comprised of the Governor's Office, Intergovernmental Conferences, the Gubernatorial Transition Office, and the Office of Homeland Security. The Office of Homeland Security is reflected separately and directly follows the Executive Department in the Budget Document.

The Governor's Office has responsibility for the overall operation of state government. The Governor appoints commissioners and directors of executive branch agencies. His staff works with state agencies and the Legislature to design and implement specific program priorities. In addition, the staff provides policy research and recommendations for the effective operation of government. Mail and phone correspondence with Tennessee citizens is also processed by the Governor's staff.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
315.01 Governor's Office					
Full-Time	43	40	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	40	37	0	37
Payroll	2,127,200	2,547,400	2,399,200	0	2,399,200
Operational	870,500	892,600	800,400	0	800,400
Total	\$2,997,700	\$3,440,000	\$3,199,600	\$0	\$3,199,600
State	2,997,700	3,390,300	3,199,600	0	3,199,600
Federal	0	0	0	0	0
Other	0	49,700	0	0	0

The Intergovernmental Conferences Division funds Tennessee's participation in the Council of State Governments and other intergovernmental organizations and activities.

315.02 Intergovernmental Conferences

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	407,800	393,000	393,000	18,800	411,800
Total	\$407,800	\$393,000	\$393,000	\$18,800	\$411,800
State	407,800	393,000	393,000	18,800	411,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

The Gubernatorial Transition Office facilitated the transition between executive administrations, in accordance with TCA 8-1-202.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
315.04 Gubernatorial Transition Office					
Full-Time	0	0	0	0	0
Part-Time	8	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	0	0	0	0
Payroll	175,400	0	0	0	0
Operational	25,300	0	0	0	0
Total	\$200,700	\$0	\$0	\$0	\$0
State	200,700	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0
315.00 Department Total					
Full-Time	43	40	37	0	37
Part-Time	8	0	0	0	0
Seasonal	0	0	0	0	0
Total	51	40	37	0	37
Payroll	2,302,600	2,547,400	2,399,200	0	2,399,200
Operational	1,303,600	1,285,600	1,193,400	18,800	1,212,200
Total	\$3,606,200	\$3,833,000	\$3,592,600	\$18,800	\$3,611,400
State	3,606,200	3,783,300	3,592,600	18,800	3,611,400
Federal	0	0	0	0	0
Other	0	49,700	0	0	0

Executive Department

Office of Homeland Security

The Office of Homeland Security, a staff division of the Executive Department, develops and coordinates implementation of a comprehensive strategy to secure the state of Tennessee from terrorist threats and attacks. The office interacts with the U.S. Department of Homeland Security and coordinates state homeland security actions through the state Homeland Security Council.

The Homeland Security Council was created by Executive Order after the September 11, 2001, terrorist attack on America. The council consists of the Director of the Office of Homeland Security, who is appointed by the Governor; the Deputy to the Governor; the Attorney General; the commissioners of the departments of Health, Safety, Transportation, Agriculture, Commerce and Insurance, Finance and Administration, General Services, Environment and Conservation, and Military; the directors of the Tennessee Emergency Management Agency and the Tennessee Bureau of Investigation; the state chief information systems officer; the colonel of the Tennessee Highway Patrol; the chief of law enforcement of the Tennessee Wildlife Resources Agency; and six representatives of local governments.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
315.05 Office of Homeland Security					
Full-Time	6	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	19	19	0	19
Payroll	216,300	1,197,600	1,197,600	0	1,197,600
Operational	99,500	2,526,900	832,600	0	832,600
Total	\$315,800	\$3,724,500	\$2,030,200	\$0	\$2,030,200
State	198,000	887,500	843,100	0	843,100
Federal	0	0	0	0	0
Other	117,800	2,837,000	1,187,100	0	1,187,100

Human Rights Commission

The Tennessee Human Rights Commission (THRC) is charged with the responsibility of ensuring fair and equal treatment for all Tennesseans in employment, housing, and public accommodations without regard to race, color, religion, sex, age, handicap, or national origin. THRC is also charged with the responsibility to monitor other state agencies' compliance with the expenditure of federal funds in regards to civil rights.

THRC cooperates with local government and civic, and religious groups in disseminating information, promoting activities, and providing leadership to increase public awareness of civil rights and equal opportunity.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.04 Human Rights Commission					
Full-Time	30	28	28	0	28
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	31	29	29	0	29
Payroll	1,352,600	1,440,400	1,420,400	0	1,420,400
Operational	551,200	412,300	411,100	0	411,100
Total	\$1,903,800	\$1,852,700	\$1,831,500	\$0	\$1,831,500
State	1,292,600	1,418,800	1,397,600	0	1,397,600
Federal	596,200	433,900	433,900	0	433,900
Other	15,000	0	0	0	0

Tennessee Regulatory Authority

The Tennessee Regulatory Authority (TRA) is a quasi-judicial body. Leadership for the agency is comprised of four directors, three of whom are appointed for six-year terms by the Governor, House Speaker, and Senate Speaker. The fourth director is appointed by the Governor, House Speaker, and Senate Speaker collectively. The TRA's mission is to promote the public interest by balancing the interests of utility consumers and providers while facilitating the transition to a more competitive environment. The functions of the TRA include:

- Regulating the quality of service provided and compliance with regulations by public utilities such as gas, electric, water, and telephone
- Granting of operating authority to public utilities and adjudicating conflicts and controversies arising from utility operations
- Protecting the public from the accidental release of natural gas by monitoring compliance of distribution systems with minimum federal and state safety standards
- Administering the state's "Do Not Call" program which gives the residents of Tennessee the option not to receive solicitation calls from telemarketers
- Administering the Telecommunications Device Access Program which provides telecommunications equipment to the state's deaf, blind, and hearing impaired population.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.11 Tennessee Regulatory Authority					
Full-Time	90	82	82	0	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	82	82	0	82
Payroll	4,825,300	5,288,700	5,288,700	0	5,288,700
Operational	1,808,100	2,113,400	2,110,500	100,000	2,210,500
Total	\$6,633,400	\$7,402,100	\$7,399,200	\$100,000	\$7,499,200
State	6,245,500	7,048,000	7,045,100	100,000	7,145,100
Federal	383,800	350,000	350,000	0	350,000
Other	4,100	4,100	4,100	0	4,100

Advisory Commission on Intergovernmental Relations

The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) was created to monitor federal, state, and local government relations and to make recommendations for improvement to the Legislature. The Commission is comprised of representatives from the executive and legislative branches of state government, county and municipal governments, and the public. The Commission serves as a bipartisan forum for the discussion of intergovernmental issues and may initiate studies resulting in legislative proposals and constitutional amendments. The Commission responds to requests for technical assistance from the General Assembly, state agencies, and local governments.

Current studies and activities directed by the General Assembly for TACIR include:

- Property Assessment System in Tennessee
- Implementation of Tennessee Code Annotated 6-58-113 relative to Tennessee's growth policy, annexation, and incorporation law
- Compilation and maintenance of an inventory of public infrastructure needs
- Analyze the boards of commissioners of utility districts.

Major on-going areas of TACIR studies and activities include:

- Fiscal capacity measures for the Basic Education Plan
- Education finance
- Issues related to the Tennessee tax structure
- Other state, local, and federal fiscal issues
- Government modernization
- Intergovernmental issues.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.12 Advisory Commission on Intergovernmental Relations					
Full-Time	16	16	16	0	16
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	922,000	1,151,700	1,151,700	0	1,151,700
Operational	1,064,100	1,093,200	1,078,400	0	1,078,400
Total	\$1,986,100	\$2,244,900	\$2,230,100	\$0	\$2,230,100
State	105,300	280,000	266,000	0	266,000
Federal	0	0	0	0	0
Other	1,880,800	1,964,900	1,964,100	0	1,964,100

Tax Structure Study Commission

The Tax Structure Study Commission was created July 4, 2002, by Public Chapter 856. The Commission must report its findings, recommendations, and any proposed legislation to the General Assembly on or before July 1, 2004, at which time the commission will terminate.

According to the law, the Commission will perform a comprehensive study of the tax structure in Tennessee. The study will include state taxes, local taxes, special district taxes, and state-shared taxes. The Commission will consider the elasticity of the current tax structure, the effect of electronic-commerce upon the current tax structure, the method of allocation of state tax revenue, the effect of allocation of tax revenue based on situs of collection, current distribution formulas for tax revenue, special allocations of tax revenue based on population or tourism-related special treatment, and the deductibility of state and local taxes from federal taxes.

The Commission also will study issues pertaining to exportability and federal deductibility of Tennessee's state and local taxes. The Commission will evaluate the impact of various taxes upon the state's business climate and economic competitiveness. Issues involved in franchise, excise, and other business taxes also will be considered.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.31 Tax Structure Study Commission					
Full-Time	2	2	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	0	0	0
Payroll	62,000	151,200	0	0	0
Operational	39,400	522,600	0	0	0
Total	\$101,400	\$673,800	\$0	\$0	\$0
State	101,400	375,000	0	0	0
Federal	0	0	0	0	0
Other	0	298,800	0	0	0

Department of Finance and Administration

The Department of Finance and Administration assists the Governor in developing and implementing the administration's fiscal and managerial policies. The Commissioner of Finance and Administration serves as the Governor's chief cabinet officer and directs the department's specific responsibilities. These responsibilities involve the coordination of a number of state government activities that are provided through administrative services, fiscal and management services, and capital and facilities management services.

Administrative Services

The administrative services of this department include the management of the state's information system needs, the contracting of professional services, insurance benefits management, program evaluation, and intra-departmental support. Specific responsibilities include:

- Managing the centralized information system
- Planning, developing, and implementing new information systems
- Managing and supporting voice and data communications
- Providing agencies with technical assistance for their systems
- Providing staff support to the Information Systems Council
- Managing the insurance benefits available to state, local education, and local government employees
- Administering federal grants associated with illegal drug control, the Victims of Crime Assistance Program, the Family Violence Program, and the improvement of criminal justice information systems
- Administering the AmeriCorps and Learn & Serve grant programs
- Coordinating the state's strategic planning and performance based budgeting initiatives
- Supporting department programs by providing auditing, consulting, fiscal analysis and processing, legal services, human resources management, and information systems management
- Managing the state's contracting process.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
317.01 Division of Administration					
Full-Time	90	112	112	0	112
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	91	113	113	0	113
Payroll	3,864,000	6,874,100	6,874,100	0	6,874,100
Operational	4,858,100	3,355,900	3,354,200	0	3,354,200
Total	\$8,722,100	\$10,230,000	\$10,228,300	\$0	\$10,228,300
State	677,000	1,253,200	1,253,000	0	1,253,000
Federal	0	0	0	0	0
Other	8,045,100	8,976,800	8,975,300	0	8,975,300

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
317.03 Office of Information Resources					
Full-Time	432	499	499	0	499
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	432	499	499	0	499
Payroll	21,757,200	32,962,900	32,962,900	0	32,962,900
Operational	115,103,500	92,688,200	92,678,200	5,500,000	98,178,200
Total	\$136,860,700	\$125,651,100	\$125,641,100	\$5,500,000	\$131,141,100
State	0	2,275,000	2,275,000	5,500,000	7,775,000
Federal	0	0	0	0	0
Other	136,860,700	123,376,100	123,366,100	0	123,366,100
317.04 Insurance Administration					
Full-Time	40	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	40	39	39	0	39
Payroll	1,728,100	1,915,700	1,915,700	0	1,915,700
Operational	2,075,700	2,267,700	2,266,700	0	2,266,700
Total	\$3,803,800	\$4,183,400	\$4,182,400	\$0	\$4,182,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,803,800	4,183,400	4,182,400	0	4,182,400
317.06 Criminal Justice Programs					
Full-Time	19	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	20	20	0	20
Payroll	687,700	1,094,700	1,094,700	0	1,094,700
Operational	25,093,000	28,866,300	28,650,300	0	28,650,300
Total	\$25,780,700	\$29,961,000	\$29,745,000	\$0	\$29,745,000
State	1,613,700	2,379,000	2,377,900	0	2,377,900
Federal	23,965,000	27,375,200	27,360,300	0	27,360,300
Other	202,000	206,800	6,800	0	6,800
317.07 Resource Development and Support					
Full-Time	22	13	13	4	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	13	13	4	17
Payroll	632,400	908,000	908,000	301,800	1,209,800
Operational	227,400	565,400	160,300	98,200	258,500
Total	\$859,800	\$1,473,400	\$1,068,300	\$400,000	\$1,468,300
State	851,500	1,473,400	1,068,300	400,000	1,468,300
Federal	0	0	0	0	0
Other	8,300	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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317.11 National and Community Service

Full-Time	7	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	8	8	0	8
Payroll	288,100	403,800	403,800	0	403,800
Operational	3,225,500	5,008,300	5,008,100	0	5,008,100
Total	\$3,513,600	\$5,412,100	\$5,411,900	\$0	\$5,411,900
State	136,900	218,200	218,200	0	218,200
Federal	3,264,000	5,012,100	5,011,900	0	5,011,900
Other	112,700	181,800	181,800	0	181,800

Fiscal and Management Services

This functional area develops and implements policies pertaining to the fiscal and managerial aspects of state government. These responsibilities include:

- Preparing, implementing, and monitoring the state budget
- Evaluating the budgetary needs and requests of all state agencies
- Incorporating the budgetary priorities into the Governor's budget
- Tracking the budget through the legislative committee process
- Revising the budget to include legislative changes
- Implementing and monitoring each agency's finalized annual budget
- Monitoring the fiscal impact of state-related federal legislation
- Conducting research for the commissioner
- Accounting for state revenues and expenditures
- Generating the state's payroll
- Providing financial management reports to departments
- Providing reports to departmental management on revenues and expenditures
- Analyzing the operations of various program areas
- Publishing the state's Consolidated Annual Financial Report
- Establishing the state's fiscal policies and procedures
- Analyzing the state's cash management process related to grant funds.

317.02 Division of Budget

Full-Time	35	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	32	32	0	32
Payroll	1,874,200	2,254,100	2,253,400	0	2,253,400
Operational	466,400	687,300	687,300	0	687,300
Total	\$2,340,600	\$2,941,400	\$2,940,700	\$0	\$2,940,700
State	2,340,600	2,941,400	2,940,700	0	2,940,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
317.05 Division of Accounts					
Full-Time	82	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	82	81	81	0	81
Payroll	4,069,700	4,456,800	4,456,800	0	4,456,800
Operational	6,232,800	5,779,800	5,777,800	0	5,777,800
Total	\$10,302,500	\$10,236,600	\$10,234,600	\$0	\$10,234,600
State	0	0	0	0	0
Federal	38,900	0	0	0	0
Other	10,263,600	10,236,600	10,234,600	0	10,234,600

Capital Projects and Facilities Management Services

The facilities management services coordinated by the Department of Finance and Administration include the planning, construction, and utilization of state-owned real property. Included among this property are facilities which are part of the Facilities Revolving Fund. Specific responsibilities include:

- Planning and reviewing the construction, acquisition, and alteration of state property
- Developing the state's long-range plan regarding real property needs
- Managing the acquisition, disposal, and utilization of state-owned real property
- Coordinating the design, construction, and redevelopment of state facilities
- Providing staff support to the State Building Commission
- Coordinating and budgeting the Facilities Revolving Fund
- Managing the energy management program for state facilities.

317.10 Capital Projects and Real Property Management

Full-Time	71	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	67	67	0	67
Payroll	3,525,600	3,681,900	3,681,900	0	3,681,900
Operational	1,897,200	2,445,800	2,444,000	0	2,444,000
Total	\$5,422,800	\$6,127,700	\$6,125,900	\$0	\$6,125,900
State	2,178,800	2,455,500	2,455,100	0	2,455,100
Federal	0	0	0	0	0
Other	3,244,000	3,672,200	3,670,800	0	3,670,800

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
317.00 Department Total					
Full-Time	798	871	871	4	875
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	799	872	872	4	876
Payroll	38,427,000	54,552,000	54,551,300	301,800	54,853,100
Operational	159,179,600	141,664,700	141,026,900	5,598,200	146,625,100
Total	\$197,606,600	\$196,216,700	\$195,578,200	\$5,900,000	\$201,478,200
State	7,798,500	12,995,700	12,588,200	5,900,000	18,488,200
Federal	27,267,900	32,387,300	32,372,200	0	32,372,200
Other	162,540,200	150,833,700	150,617,800	0	150,617,800

Department of Personnel

The Department of Personnel designs and implements policies and practices to effectively manage the personnel needs of state government. The department advises the Governor on human resource issues, implements the Governor's Affirmative Action Plan, and administers the provisions of the Civil Service Act. The Department of Personnel maintains all state employee records, as well as all records pertaining to applicants for state employment. It also approves, coordinates, and conducts training and career development courses for all departments of state government. The three major program areas of the Department of Personnel are:

- Administrative Services
- Human Resource Services
- Technical Services.

Administrative Services

In addition to providing general administrative support services for the Department of Personnel, Administrative Services also coordinates the services provided by the department to all agencies of state government.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
319.01 Executive Administration					
Full-Time	18	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	16	16	0	16
Payroll	941,700	1,019,900	1,019,900	0	1,019,900
Operational	1,534,200	1,352,800	1,447,500	0	1,447,500
Total	\$2,475,900	\$2,372,700	\$2,467,400	\$0	\$2,467,400
State	1,661,500	1,762,400	1,766,800	0	1,766,800
Federal	0	0	0	0	0
Other	814,400	610,300	700,600	0	700,600

Human Resource Services

Human Resource Services manages many of the services provided to state employees. Specific responsibilities include:

- Approving, coordinating, and conducting training courses, workshops, and conferences for employees in every state agency
- Advising state employees about their benefits and rights of employment
- Maintaining compliance with state and federal Equal Employment Opportunity and Affirmative Action laws and prohibiting unlawful employee discrimination
- Monitoring and ensuring the state's compliance with the Americans with Disabilities Act (ADA) requirements
- Hearing civil service appeals through the Civil Service Commission and advising on civil service rules, policy, and law
- Reviewing and revising employee performance evaluation forms
- Coordinating the Performance Evaluation and Career Ladder programs
- Supporting the efforts of the Title VI Compliance Commission.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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319.02 Human Resource Development

Full-Time	19	20	20	0	20
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	28	29	29	0	29
Payroll	913,900	1,137,500	1,126,500	0	1,126,500
Operational	827,700	1,543,300	1,454,300	0	1,454,300
Total	\$1,741,600	\$2,680,800	\$2,580,800	\$0	\$2,580,800
State	273,400	835,800	735,800	0	735,800
Federal	0	0	0	0	0
Other	1,468,200	1,845,000	1,845,000	0	1,845,000

Technical Services

Technical Services reviews and administers state employee compensation and position classifications. Other responsibilities include:

- Revising and administering the civil service examination
- Monitoring the civil service appointment process
- Auditing the state payroll
- Providing information to applicants about employment and promotional opportunities
- Processing general employee transactions including appointments, transfers, promotions, separations, attendance, and leave adjustments
- Reviewing and maintaining data on employment, salaries, and benefits in private sector organizations and Southeastern state governments to assist in making recommendations on salary administration policy for the State of Tennessee.

319.03 Technical Services

Full-Time	78	73	72	0	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	78	73	72	0	72
Payroll	3,166,900	3,516,300	3,485,900	0	3,485,900
Operational	257,900	321,000	372,600	0	372,600
Total	\$3,424,800	\$3,837,300	\$3,858,500	\$0	\$3,858,500
State	1,495,400	1,847,100	1,810,600	0	1,810,600
Federal	0	0	0	0	0
Other	1,929,400	1,990,200	2,047,900	0	2,047,900

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
319.00 Department Total					
Full-Time	115	109	108	0	108
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	124	118	117	0	117
Payroll	5,022,500	5,673,700	5,632,300	0	5,632,300
Operational	2,619,800	3,217,100	3,274,400	0	3,274,400
Total	\$7,642,300	\$8,890,800	\$8,906,700	\$0	\$8,906,700
State	3,430,300	4,445,300	4,313,200	0	4,313,200
Federal	0	0	0	0	0
Other	4,212,000	4,445,500	4,593,500	0	4,593,500

Department of General Services

The Department of General Services acts as a support organization for other state departments and agencies. The department provides support through administrative services, property management and utilization services, and interdepartmental support services.

Administrative Services

Administrative services provided by the department include a variety of internal support services. Among these services are fiscal analysis and processing, legal services, auditing, human resource management, and information systems management. The department also establishes and directs the official policies related to its other services.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
321.01 Administration					
Full-Time	57	55	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	55	54	0	54
Payroll	2,277,900	2,879,000	2,823,700	0	2,823,700
Operational	963,000	1,431,300	1,436,900	0	1,436,900
Total	\$3,240,900	\$4,310,300	\$4,260,600	\$0	\$4,260,600
State	477,900	459,400	412,300	0	412,300
Federal	0	0	0	0	0
Other	2,763,000	3,850,900	3,848,300	0	3,848,300
321.15 Systems Management					
Full-Time	24	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	31	31	0	31
Payroll	1,167,800	1,562,600	1,572,500	0	1,572,500
Operational	431,200	737,700	725,700	0	725,700
Total	\$1,599,000	\$2,300,300	\$2,298,200	\$0	\$2,298,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,599,000	2,300,300	2,298,200	0	2,298,200

Property Management and Utilization Services

The department's property management and utilization services include the disposal of surplus state property, the distribution of surplus federal property, the management and maintenance of the state's motor vehicles, and the management and maintenance of state-owned facilities and grounds. These services include the following responsibilities:

- Selling surplus and confiscated property through public auctions, sealed bids, or distribution to eligible recipients
- Developing, implementing, and supervising a uniform program for the acquisition, operation, maintenance, and replacement of state vehicles and equipment

- Coordinating the Van Pool Program
- Administering the state's shuttle service
- Operating and maintaining state-owned buildings.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
321.04 Property Utilization					
Full-Time	26	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	22	22	0	22
Payroll	649,400	893,200	892,300	0	892,300
Operational	1,116,900	966,000	966,700	0	966,700
Total	\$1,766,300	\$1,859,200	\$1,859,000	\$0	\$1,859,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,766,300	1,859,200	1,859,000	0	1,859,000

321.06 Motor Vehicle Management

Full-Time	44	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	39	39	0	39
Payroll	1,398,400	1,464,700	1,455,000	0	1,455,000
Operational	29,256,300	28,316,900	28,302,900	0	28,302,900
Total	\$30,654,700	\$29,781,600	\$29,757,900	\$0	\$29,757,900
State	3,056,100	0	0	0	0
Federal	0	0	0	0	0
Other	27,598,600	29,781,600	29,757,900	0	29,757,900

321.07 Property Management

Full-Time	209	191	190	0	190
Part-Time	6	1	1	0	1
Seasonal	0	0	0	0	0
Total	215	192	191	0	191
Payroll	7,435,800	7,414,200	7,412,000	0	7,412,000
Operational	5,006,700	5,608,700	4,920,300	0	4,920,300
Total	\$12,442,500	\$13,022,900	\$12,332,300	\$0	\$12,332,300
State	1,334,900	1,439,800	1,379,300	0	1,379,300
Federal	0	0	0	0	0
Other	11,107,600	11,583,100	10,953,000	0	10,953,000

Interdepartmental Support Services

A number of interdepartmental support services are provided to state departments and agencies. Among these are postal, printing, purchasing records management, storage and distribution of supplies, and food preparation. The following responsibilities are associated with these services:

- Processing and distributing messenger and U.S. mail for state agencies located in Nashville

- Operating a U.S. Post Office branch in one of Nashville's state buildings
- Printing, duplicating, copying, typesetting, and binding services
- Photographic and graphic arts services
- Procuring supplies, equipment, and specialized services
- Establishing procurement specifications
- Administering the bid process
- Operating the centralized storage of pertinent records and files
- Implementing approval guidelines for state publications and forms
- Purchasing and distributing office and building maintenance supplies
- Managing the central preparation and distribution of food for select state agencies.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
321.02 Postal Services					
Full-Time	67	65	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	65	65	0	65
Payroll	1,932,400	2,030,700	2,036,900	0	2,036,900
Operational	14,360,500	14,523,800	14,515,600	0	14,515,600
Total	\$16,292,900	\$16,554,500	\$16,552,500	\$0	\$16,552,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	16,292,900	16,554,500	16,552,500	0	16,552,500
321.09 Printing					
Full-Time	61	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	61	52	52	0	52
Payroll	1,835,500	1,952,000	1,952,000	0	1,952,000
Operational	2,121,100	2,577,200	2,569,300	0	2,569,300
Total	\$3,956,600	\$4,529,200	\$4,521,300	\$0	\$4,521,300
State	265,100	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	3,691,500	4,279,200	4,271,300	0	4,271,300
321.10 Purchasing					
Full-Time	54	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	56	56	0	56
Payroll	1,921,300	2,160,800	2,159,500	0	2,159,500
Operational	1,806,300	1,918,600	1,914,700	0	1,914,700
Total	\$3,727,600	\$4,079,400	\$4,074,200	\$0	\$4,074,200
State	20,900	22,000	22,000	0	22,000
Federal	0	0	0	0	0
Other	3,706,700	4,057,400	4,052,200	0	4,052,200

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
321.17 Records Management					
Full-Time	21	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	19	19	0	19
Payroll	732,900	743,500	743,500	0	743,500
Operational	489,800	528,400	526,900	0	526,900
Total	\$1,222,700	\$1,271,900	\$1,270,400	\$0	\$1,270,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,222,700	1,271,900	1,270,400	0	1,270,400
321.18 Central Stores					
Full-Time	29	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	26	26	0	26
Payroll	820,800	824,600	828,000	0	828,000
Operational	6,276,700	7,063,100	7,057,700	0	7,057,700
Total	\$7,097,500	\$7,887,700	\$7,885,700	\$0	\$7,885,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	7,097,500	7,887,700	7,885,700	0	7,885,700
321.19 Food Services Program					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	138,700	142,900	142,900	0	142,900
Operational	3,918,600	4,667,300	4,667,100	0	4,667,100
Total	\$4,057,300	\$4,810,200	\$4,810,000	\$0	\$4,810,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,057,300	4,810,200	4,810,000	0	4,810,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
321.00 Department Total					
Full-Time	594	558	556	0	556
Part-Time	6	1	1	0	1
Seasonal	0	0	0	0	0
Total	600	559	557	0	557
Payroll	20,310,900	22,068,200	22,018,300	0	22,018,300
Operational	65,747,100	68,339,000	67,603,800	0	67,603,800
Total	\$86,058,000	\$90,407,200	\$89,622,100	\$0	\$89,622,100
State	5,154,900	2,171,200	2,063,600	0	2,063,600
Federal	0	0	0	0	0
Other	80,903,100	88,236,000	87,558,500	0	87,558,500

Department of Veterans Affairs

The Department of Veterans Affairs serves the state's more than one-half million veterans, their survivors, and dependents through a statewide power of attorney-based claims processing system. The department's training and certification program for county service officers and department employees ensures that the veterans of the state receive maximum earned entitlements. The department operates a state veterans' cemetery in each grand division, with Tennessee having among the highest interment workloads in the nation.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
323.00 Veterans Affairs					
Full-Time	64	64	64	0	64
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	64	64	64	0	64
Payroll	2,266,500	2,473,900	2,473,900	0	2,473,900
Operational	1,031,800	717,600	710,400	122,000	832,400
Total	\$3,298,300	\$3,191,500	\$3,184,300	\$122,000	\$3,306,300
State	2,762,600	2,748,800	2,741,600	122,000	2,863,600
Federal	340,800	360,000	360,000	0	360,000
Other	194,900	82,700	82,700	0	82,700

Department of Revenue

The Department of Revenue collects and administers Tennessee's fees and taxes, ensures compliance among all taxpayers, and apportions tax revenues to the appropriate state or local fund. These responsibilities are accomplished by the department's administrative services, support services, and revenue collection services.

Administrative Services

The department's administrative services provide a variety of activities. Among these are legal and research services, human resources management, internal auditing, fiscal analysis and processing, apportioning revenues to the appropriate state or local fund, information systems management, and special investigations.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
347.01 Administration Division					
Full-Time	102	100	103	0	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	100	103	0	103
Payroll	4,927,600	5,458,600	5,669,400	0	5,669,400
Operational	2,499,600	2,218,200	2,490,700	0	2,490,700
Total	\$7,427,200	\$7,676,800	\$8,160,100	\$0	\$8,160,100
State	5,364,700	5,624,100	6,000,100	0	6,000,100
Federal	0	0	0	0	0
Other	2,062,500	2,052,700	2,160,000	0	2,160,000
347.11 Information Technology Resources Division					
Full-Time	57	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	60	60	0	60
Payroll	2,702,000	3,173,100	3,160,600	0	3,160,600
Operational	7,708,700	8,959,400	7,251,100	0	7,251,100
Total	\$10,410,700	\$12,132,500	\$10,411,700	\$0	\$10,411,700
State	7,394,000	9,392,900	7,529,100	0	7,529,100
Federal	0	0	0	0	0
Other	3,016,700	2,739,600	2,882,600	0	2,882,600

Support Services

The support services divisions of the department provide assistance to the operations of the revenue collection services. These services include the following responsibilities:

- Preparing and distributing taxpayer forms, instructional materials, and publications
- Providing registration, file change, and basic tax account assistance to taxpayers
- Depositing tax payments to the State Treasury and updating taxpayer accounts

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
347.13 Taxpayer Services Division					
Full-Time	118	117	118	0	118
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	118	117	118	0	118
Payroll	3,821,700	4,431,500	4,448,600	0	4,448,600
Operational	2,642,400	2,924,800	2,828,000	0	2,828,000
Total	\$6,464,100	\$7,356,300	\$7,276,600	\$0	\$7,276,600
State	4,397,000	5,269,400	5,082,400	0	5,082,400
Federal	0	0	0	0	0
Other	2,067,100	2,086,900	2,194,200	0	2,194,200

347.16 Processing Division

Full-Time	136	134	134	0	134
Part-Time	26	18	18	0	18
Seasonal	0	0	0	0	0
Total	162	152	152	0	152
Payroll	4,431,900	5,022,000	4,982,000	0	4,982,000
Operational	1,588,800	1,905,000	1,902,500	0	1,902,500
Total	\$6,020,700	\$6,927,000	\$6,884,500	\$0	\$6,884,500
State	4,173,000	5,166,400	5,034,500	0	5,034,500
Federal	0	0	0	0	0
Other	1,847,700	1,760,600	1,850,000	0	1,850,000

Revenue Collections

The department's revenue collections services are charged with collecting fees and taxes and ensuring proper compliance among all taxpayers. The responsibilities associated with these services include:

- Administering all state taxes for corporations doing business in Tennessee
- Administering the state's Hall Income Tax
- Enforcing laws and regulations regarding the inspection and taxation of petroleum products
- Administering the provisions of specific laws regarding the taxation of tobacco products, gifts, inheritances, estates, firearms, gross receipts, liquor by the drink, beer, and other taxes
- Administering the provisions of the Tennessee sales and use tax laws
- Collecting delinquent taxes owed the state of Tennessee.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
347.02 Tax Enforcement Division					
Full-Time	122	124	124	0	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	122	124	124	0	124
Payroll	5,107,500	5,433,100	5,504,100	0	5,504,100
Operational	817,800	868,600	894,100	0	894,100
Total	\$5,925,300	\$6,301,700	\$6,398,200	\$0	\$6,398,200
State	3,892,400	4,249,000	4,238,200	0	4,238,200
Federal	0	0	0	0	0
Other	2,032,900	2,052,700	2,160,000	0	2,160,000
347.14 Audit Division					
Full-Time	339	350	350	0	350
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	339	350	350	0	350
Payroll	18,421,400	19,417,700	19,972,600	0	19,972,600
Operational	3,040,000	3,137,700	3,342,700	0	3,342,700
Total	\$21,461,400	\$22,555,400	\$23,315,300	\$0	\$23,315,300
State	14,136,700	15,341,500	15,761,700	0	15,761,700
Federal	29,000	22,000	22,000	0	22,000
Other	7,295,700	7,191,900	7,531,600	0	7,531,600
347.00 Department Total					
Full-Time	874	885	889	0	889
Part-Time	26	18	18	0	18
Seasonal	0	0	0	0	0
Total	900	903	907	0	907
Payroll	39,412,100	42,936,000	43,737,300	0	43,737,300
Operational	18,297,300	20,013,700	18,709,100	0	18,709,100
Total	\$57,709,400	\$62,949,700	\$62,446,400	\$0	\$62,446,400
State	39,357,800	45,043,300	43,646,000	0	43,646,000
Federal	29,000	22,000	22,000	0	22,000
Other	18,322,600	17,884,400	18,778,400	0	18,778,400

Miscellaneous Appropriations

Miscellaneous Appropriations includes funding for retirement contributions for county officials, pensions to former governors and their widows, and other state obligations not addressed elsewhere.

	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	24,878,800	43,842,200	39,370,100	200,000,000	239,370,100
Total	\$24,878,800	\$43,842,200	\$39,370,100	\$200,000,000	\$239,370,100
State	24,738,800	43,842,200	39,370,100	200,000,000	239,370,100
Federal	0	0	0	0	0
Other	140,000	0	0	0	0

Emergency and Contingency Fund

The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made, or for which insufficient appropriation has inadvertently been made. Expenditures from this fund are authorized only by Executive Order of the Governor.

	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
353.00 Emergency and Contingency Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	819,300	819,300	0	819,300
Total	\$0	\$819,300	\$819,300	\$0	\$819,300
State	0	819,300	819,300	0	819,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

State Building Commission

This fund is utilized for major, non-routine maintenance and equipment replacement for state-owned physical facilities. Projects are funded only by approval of the State Building Commission, which consists of the Governor, Commissioner of Finance and Administration, Speakers of the House and Senate, Secretary of State, Comptroller of the Treasury, and State Treasurer.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
355.02 Major Maintenance and Equipment					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	435,900	290,000	250,000	0	250,000
Total	\$435,900	\$290,000	\$250,000	\$0	\$250,000
State	250,000	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	185,900	40,000	0	0	0

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
305.00 Secretary of State			
305.01 Secretary of State			
Performance Information			
Standard: Process summons pursuant to law.			
Measure: Number of summons processed.	13,952	14,000	14,000
Standard: Process certain Uniform Commercial Code (UCC) filings pursuant to law.			
Measure: UCC filings processed.	192,882	200,000	200,000
Standard: Process corporate filings pursuant to law.			
Measure: Corporate documents processed.	227,576	230,000	230,000
Standard: Administer the Tennessee Trade Mark Act of 2000 pursuant to law.			
Measure: Number of trademark registrations.	1,840	2,000	2,000
Standard: Process the commissions of Notaries Public pursuant to law.			
Measure: Number of Notary commissions and authentications.	34,859	36,000	36,000
Standard: Administer the provisions of the Uniform Administrative Procedures Act.			
Measure: Number of cases docketed.	15,340	16,000	16,000
Standard: Administer the provisions of the Charitable Solicitations Act and related statutes.			
Measure: Number of registered charitable organizations.	2,435	2,000	2,000
Standard: Maintain uniformity in the administration of Tennessee's election laws and in the conduct of elections in Tennessee pursuant to law.			
Measure: Number of registered voters.	3,440,544	3,500,000	3,600,000
305.02 State Election Commission			
Performance Information			
Standard: Certify county election administrators.			
Measure: Number of county election administrators certified.	93	94	94
305.03 Public Documents			
Performance Information			
Standard: Publish Election Law Manuals.			
Measure: Number of manuals produced.	1,200	1,200	1,200
Standard: Publish election related forms.			
Measure: Number of forms published.	63	63	64

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Publish and distribute the Public Acts, Private Acts and Resolutions of each session of the General Assembly pursuant to law.			
Measure: Number of sets produced.	725	725	725
305.04 State Library and Archives			
Performance Information			
Standard: Maintain archival and manuscript holdings.			
Measure: Holdings maintained (expressed in linear feet).	36,454	37,000	37,000
Standard: Process archival and manuscript materials.			
Measure: Materials processed (expressed in linear feet).	9,200	9,500	10,000
Standard: Maintain holdings of other formats including photos, maps, microforms, etc.			
Measure: Items maintained.	773,550	774,000	774,500
Standard: Maintain printed library collection.			
Measure: Printed library items maintained.	678,621	683,000	688,000
Standard: Serve the visiting public.			
Measure: Number of visitors.	19,372	19,425	19,450
Standard: Respond to mail and e-mail requests.			
Measure: Number of requests.	17,620	18,450	19,000
Standard: Preserve records on microfilm.			
Measure: New records preserved (expressed in pages).	2,325,129	750,000	750,000
Standard: Duplicate photographs and microfilm for public consumption.			
Measure: Number of photos/microfilm images sold.	10,272	10,000	10,000
Standard: Preserve documents of historic relevance.			
Measure: Number of documents preserved.	8,200	10,000	10,000
Standard: Serve blind and physically handicapped library patrons.			
Measure: Number of patrons served.	7,405	7,700	7,800
Standard: Circulate library materials for the blind and physically handicapped.			
Measure: Total material circulation.	260,728	275,000	278,000
Standard: Conduct site visits to local public archives.			
Measure: Local archives visited.	20	24	30

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Conduct workshops and training classes for local archive personnel.			
Measure: Workshops and training classes conducted.	10	13	15
Standard: Administer Library Services and Technology Act (LSTA) funds for the benefit of local public libraries.			
Measure: Number of local public libraries benefiting from LSTA funds.	285	285	285
Standard: Administer LSTA funds for the benefit of multi-type libraries.			
Measure: Number of multi-type libraries benefiting from LSTA funds.	2,420	2,420	2,420
Standard: Provide technical assistance to local public libraries.			
Measure: Number of libraries assisted.	210	210	210
Standard: Provide free access to thousands of full-text periodicals and online reference materials through the Tennessee Electronic Library.			
Measure: Number of recorded transactions on the Tennessee Electronic Library.	2,160,000	2,250,000	2,500,000

305.05 Regional Library System

Performance Information

Standard: Supplement the library book and material collections of the local public libraries.			
Measure: Number of local library materials that have been purchased with state or federal funds.	1,472,009	1,472,009	1,472,009
Standard: Support book deposit stations.			
Measure: Number of book deposit stations supported.	888	693	693
Standard: Provide technical assistance to local public libraries.			
Measure: Number of local public libraries receiving assistance.	215	215	215
Standard: Provide training to local library personnel.			
Measure: Number of region-sponsored in-service training events.	48	48	48

305.06 Library Construction

Performance Information

Standard: Assist local public libraries that have construction needs.			
Measure: Number of funded public library construction projects.	3	5	4

305.07 Registry of Election Finance

Performance Information

Standard: File all reports in a timely manner.			
Measure: Percent of reports filed timely.	93%	95%	95%

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
305.08 Economic Council on Women			
Performance Information			
Standard: Educate girls and women about high demand careers.			
Measure: Number of career mentoring programs conducted.	14	10	5
Standard: Educate girls and women about high demand careers.			
Measure: Number of participants in career mentoring programs.	716	510	255
307.00 Comptroller of the Treasury			
307.01 Division of Administration			
Program Information			
Objective: Research and Legal.			
Quantity or Quality: Provide Testimony as needed.	As Needed	As Needed	As Needed
Objective: Comptrollers Office Administration.			
Quantity or Quality: To provide direction as necessary.	As Needed	As Needed	As Needed
307.02 Office of Management Services			
Program Information			
Objective: Process purchases promptly.			
Quantity or Quality: Number of transactions processed.	2,446	2,500	2,500
Objective: Provide contract reviews.			
Quantity or Quality: Number of contracts reviewed.	3,285	3,500	3,500
Objective: Provide accounting and budget support.			
Quantity or Quality: Number of vendor payments processed.	16,000	16,500	16,500
Objective: Manage property tax relief payments.			
Quantity or Quality: Number of jurisdictions.	359	359	359
Objective: Provide recruitment for department.			
Quantity or Quality: Number of institutions recruited.	30	30	30
Objective: Provide county support.			
Quantity or Quality: Number of tax billing documents.	4,000,000	4,100,000	4,100,000

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
307.03 Capitol Print Shop			
Program Information			
Objective: Provide printing support to the Legislature and constitutional offices.			
Quantity or Quality: Number of impressions made.	17,500,000	19,000,000	19,000,000
Objective: Provide mail support.			
Quantity or Quality: Number of parcels processed.	188,900	190,000	190,000
Objective: Provide office supplies to the Legislature and constitutional offices.			
Quantity or Quality: Number of orders processed.	113	130	130
307.04 Division of State Audit			
Program Information			
Objective: Health care reviews.			
Quantity or Quality: Number of health care audits.	5	5	5
Objective: Managed care audits.			
Quantity or Quality: Number of managed care audits.	11	11	11
Objective: Conduct investigations when needed.			
Quantity or Quality: Number of investigations.	10	10	10
Objective: Answer hot line calls.			
Quantity or Quality: Number of calls.	750	750	750
Objective: To provide training.			
Quantity or Quality: Number of training hours provided.	9,500	11,000	11,000
Objective: Conduct performance audits.			
Quantity or Quality: Number of performance audits conducted.	2	2	3
Objective: Conduct post audits.			
Quantity or Quality: Number of post audits completed.	106	117	115
Objective: Conduct sunset audits.			
Quantity or Quality: Number of sunset audits completed.	11	10	11
307.05 Division of County Audit			
Program Information			
Objective: Conduct special audits and investigations.			
Quantity or Quality: Number of special audits and investigations conducted.	2	10	10

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Perform limited reviews. Quantity or Quality: Limited reviews performed.	20	20	20
Objective: Review of other contract audits. Quantity or Quality: Number of other contract audits conducted.	297	300	300
Objective: Participate with and monitor audits. Quantity or Quality: Number of audits monitored.	1	2	2
Objective: Perform system reviews. Quantity or Quality: Number of system reviews conducted.	33	45	45
Objective: Conduct review of District Attorney's General fund. Quantity or Quality: Number of reviews of District Attorney's General fund.	31	31	31
Objective: Provide assistance to counties. Quantity or Quality: Number of counties assisted.	44	44	10
Objective: Conduct post audits of county officials. Quantity or Quality: Number of post audits completed.	89	90	90
307.06 Division of Municipal Audit			
Program Information			
Objective: Review audits of cities, schools, and other municipal units. Quantity or Quality: Percentage of audits reviewed.	95%	95%	95%
Objective: Provide auditor training. Quantity or Quality: Number of training hours provided.	680	680	680
Objective: Review working papers. Quantity or Quality: Percentage of working papers reviewed.	5%	36%	30%
307.07 Division of Bond Finance			
Program Information			
Objective: To provide accurate information for investment decisions. Quantity or Quality: Number of investor updates published.	17	15	15
Objective: Issue long and short term debt. Quantity or Quality: Number of long and short term debt issuances.	28	30	31
Objective: Manage day-to-day loan requirements. Quantity or Quality: Number of loans managed.	575	596	616

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: To ensure compliance with all laws and regulations.			
Quantity or Quality: Number of debt issues subject to arbitrage compliance.	70	84	85
Objective: Manage long and short term debt.			
Quantity or Quality: Number of long and short term debt issues managed.	75	77	78
Objective: To ensure compliance with all laws and regulations.			
Quantity or Quality: Number of federal arbitrage reports filed.	18	18	19
Objective: To conduct special projects.			
Quantity or Quality: Special projects conducted.	9	10	10
Objective: To provide accurate and fiscal control for debt.			
Quantity or Quality: Number of funds detail administered.	14	14	14
Objective: To provide accurate accounting and fiscal control for debt.			
Quantity or Quality: Number of funds administered.	7	7	7
Objective: To provide accurate and fiscal control.			
Quantity or Quality: Number of financial statements prepared.	6	6	6
Objective: To provide accurate fiscal control for the state's debt.			
Quantity or Quality: Number of projects administered.	1,372	1,450	1,450
Objective: To provide for the timely repayment of debt.			
Quantity or Quality: Number of debt service payments made.	288	304	324

307.08 Office of Local Government

Program Information

Objective: Preparation of local government fiscal notes.			
Quantity or Quality: Number of fiscal notes prepared.	2	4	20
Objective: Assist counties in Tennessee mapping of Geographic Information Systems (GIS).			
Quantity or Quality: Number of counties assisted with Geographic Information Systems.	18	34	39
Objective: Monitor legislative committees.			
Quantity or Quality: Number of committees monitored.	2	4	4
Objective: Research and data analysis.			
Quantity or Quality: Number of projects.	2	3	3

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
307.09 Division of Property Assessments			
Program Information			
Objective: Assess parcels.			
Quantity or Quality: Annual number of parcels assessed.	3,098,694	3,138,390	3,170,508
Objective: Provide tax relief assistance.			
Quantity or Quality: Number of tax relief claims processed.	86,788	83,519	83,770
Objective: Provide tax billing service.			
Quantity or Quality: Number of cities served.	359	359	359
Objective: Provide training to county officials.			
Quantity or Quality: Number of attendees.	596	260	300
Objective: Appraise parcels.			
Quantity or Quality: Number of parcels appraised.	268,000	260,000	260,000
Objective: Complete ratio studies and Current Value Updating (CVU) programs.			
Quantity or Quality: Number of ratio studies or CVU.	52	43	50
Objective: Maintain property maps on current basis.			
Quantity or Quality: Number of maps updated.	14,933	11,493	13,000
Objective: Conduct or schedule reappraisals for completion.			
Quantity or Quality: Number of reappraisals completed.	26	11	15
307.11 State Board of Equalization			
Program Information			
Objective: Make payments on a timely basis.			
Quantity or Quality: Percent of payments made timely.	95%	95%	95%
Objective: Hear cases within 90 days.			
Quantity or Quality: Percent of cases heard within 90 days.	22%	25%	50%
Objective: Make grant payments on a timely basis.			
Quantity or Quality: Percent of grant payments made within 30 days of authorization.	95%	95%	95%
Objective: Timely response to exemptions.			
Quantity or Quality: Percent of exemptions with accumulated response time of less than 90 days.	11%	25%	50%

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
307.12 Division of Local Finance			
Program Information			
Objective: Conduct budget reviews.			
Quantity or Quality: Number of budgets reviewed.	390	350	375
Objective: Review county fiscal bonds.			
Quantity or Quality: Number of bonds reviewed.	950	300	500
Objective: Review debt requests.			
Quantity or Quality: Number of debt requests reviewed.	400	450	450
Objective: Review public debt information reports.			
Quantity or Quality: Number of reports filed.	330	400	500
Objective: Review public debt information reports.			
Quantity or Quality: Amount of debt reported.	\$2,200,000,000	\$2,500,000,000	\$2,500,000,000
Objective: Review debt requests.			
Quantity or Quality: Amount of debt reviewed.	\$2,600,000,000	\$3,000,000,000	\$3,000,000,000
307.14 Offices of Research and Education Accountability			
Program Information			
Objective: Prepare High Priority Schools system reports.			
Quantity or Quality: Number of High Priority Schools system reports prepared.	12	0	12
Objective: Prepare fiscal notes.			
Quantity or Quality: Fiscal notes prepared.	402	350	350
Objective: Prepare legislative reports.			
Quantity or Quality: Legislative reports prepared.	9	11	10
307.15 Office of State Assessed Properties			
Program Information			
Objective: Perform audits of public utilities and transportation.			
Quantity or Quality: Number of audits performed.	25	25	25
Objective: Notify companies of assessment.			
Quantity or Quality: Number of companies notified of assessment.	2,340	2,474	2,391
Objective: Appraise properties.			
Quantity or Quality: Assessed value of appraised properties.	\$5,000,000,000	\$5,000,000,000	\$5,500,000,000

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
309.00 Treasury Department			
309.01 Treasury Department			
Program Information			
Objective: Process all claims filed in a timely manner.			
Quantity or Quality: Number of workers compensation claims filed in a timely manner.	99%	99%	99%
Objective: To provide participants with the opportunity to save for retirement.			
Quantity or Quality: Number of participants.	59,000	60,000	60,500
Objective: Provide a sufficient rate of return on investments.			
Quantity or Quality: Average funds invested.	\$23,700,000,000	\$25,500,000,000	\$27,400,000,000
Objective: Return assets to legal owners.			
Quantity or Quality: Percentage of funds returned to owners.	37%	38%	38%
Objective: To ensure collateralization of all funds.			
Quantity or Quality: Average funds invested.	\$3,600,000,000	\$3,500,000,000	\$3,500,000,000
Objective: Oversee claims against the State.			
Quantity or Quality: Number of claims opened.	992	1,000	1,000
Objective: Provide participants with the option to participate in the flexible benefits savings plan.			
Quantity or Quality: Number of participants in the flexible benefits savings plan.	40,214	40,600	41,000
Objective: Increase Baccalaureate Education System Trust (BEST) participants.			
Quantity or Quality: Number of BEST prepaid contracts.	7,909	8,200	8,500
Objective: Increase BEST participants.			
Quantity or Quality: Number of savings contracts.	2,152	2,652	3,152
Objective: Process requests in a timely manner.			
Quantity or Quality: Members counseled.	2,043	2,500	2,800
Objective: Generate savings for employee benefit programs.			
Quantity or Quality: Dollar amount of FICA savings.	\$4,912,236	\$5,200,000	\$5,600,000
Objective: Insure all boiler objects.			
Quantity or Quality: Boiler objects insured.	2,360	2,400	2,450

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Oversee claims against the State. Quantity or Quality: Number of claims closed.	971	1,000	1,000
Objective: Provide a sufficient rate of return on state investments. Quantity or Quality: Rate of return for investments.	4.97%	7.5%	7.5%
Objective: To ensure collateralization. Quantity or Quality: Rate of return.	1.64%	1.25%	2.00%
Objective: Process all tort claims filed in a timely manner. Quantity or Quality: Percentage of tort claims filed in a timely manner.	100%	99%	99%
Objective: To provide participants with the opportunity to save for retirement. Quantity or Quality: Dollar amount of retirement contributions.	\$70,000,000	\$71,000,000	\$72,000,000
Objective: Provide insurance to all departments. Quantity or Quality: Dollar value of properties insured.	\$9,490,000,000	\$9,720,000,000	\$9,860,000,000
Objective: Process criminal injury claims filed in a timely manner. Quantity or Quality: Percent of criminal injury claims filed in a timely manner.	94%	94%	94%
Objective: Provide fidelity bond coverage for all state employees. Quantity or Quality: Number of employees covered.	84,516	85,000	85,500
Objective: Insure all State Building Commission projects. Quantity or Quality: Dollar amount of builders' risk values insured.	\$229,000,000	\$229,000,000	\$250,000,000

309.02 Certified Public Administrators

Program Information

Objective: Insure proper training of local government public officials. Quantity or Quality: Number of participants.	279	272	275
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316.04 Tennessee Human Rights Commission

316.04 Human Rights Commission

Performance Information

Standard: The Tennessee Human Rights Commission (THRC), through its work-sharing agreement with the Equal Employment Opportunity Commission (EEOC), is measured based on contractual expectations of the number of cases completed and closed.

Measure: Number of employment discrimination cases processed, investigated, and closed.	751	700	700
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General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: The THRC, through its work-sharing agreement with the U.S. Department of Housing and Urban Development, is measured based on contractual expectations of the number of cases completed and closed.			
Measure: Number of housing discrimination cases processed, investigated, and closed.	74	100	100
Standard: Develop a Title VI implementation plan. (Title VI of the 1964 Civil Rights Act.)			
Measure: The number of Title VI implementation plans developed.	1	1	1

Program Information

Objective: Ensure fair and equal treatment in housing for all Tennesseans regardless of race, color, religion, sex, age, handicap, or national origin through the investigation of alleged discrimination cases.			
Quantity or Quality: Caseload per housing program investigator.	1	1	1
Objective: Ensure fair and equal treatment in employment for all Tennesseans regardless of race, color, religion, sex, age, handicap, or national origin through the investigation of alleged discrimination cases.			
Quantity or Quality: Caseload per employment program investigator.	4	7	7

316.11 Tennessee Regulatory Authority

316.11 Tennessee Regulatory Authority

Performance Information

Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of energy and water companies' compliance, actual cost adjustment, performance based ratemaking, and weather normalization audits completed.	0	19	19
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Monthly dollar average for gas and electrical service in Tennessee (national average is \$86).	\$67	\$70	\$70
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of energy base rate change applications, purchased gas and fuel cost adjustments filed and reviewed.	57	55	55

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of energy and water annual reports and Certificates of Convenience and Necessity (CCNs) filed and reviewed.	30	30	30
Standard: Foster competition in the telecommunications industry.			
Measure: Number of market entrants.	380	390	400
Standard: Foster competition in the telecommunications industry.			
Measure: Number of active Competitive Local Exchange Carrier (CLEC) interconnection agreements.	156	170	180
Standard: Foster competition in the telecommunications industry.			
Measure: Number of reseller applications filed.	19	15	10
Standard: Foster competition in the telecommunications industry.			
Measure: Number of tariffs/contract special agreements reviewed.	1,282	1,450	1,500
Standard: Foster competition in the telecommunications industry.			
Measure: Percent of Interconnection and Resale Agreements reviewed and deliberated within 90 days of filing.	100%	100%	100%
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of pipeline safety field audit inspections.	273	180	180
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of natural gas incidents that occur each year that involve property damage in excess of \$50,000 or personal injury.	0	9	9
Standard: Ensure that regulated companies are providing safe and reliable electric, gas, and telecommunication services for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Score on federal audit of Gas Pipeline Safety Program (scale of 1 to 100).	96	95	95
Standard: Ensure that regulated companies are providing safe and reliable electric, gas, and telecommunication services for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of participants that attend and complete the gas pipeline safety training course.	71	252	277

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of enforcement actions initiated for violation of the Tennessee Regulatory Authority's (TRA) rules and regulations.	11	15	20
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of inspections and tests performed on telephone companies' central offices.	15	20	25
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: Number of payphones inspected.	254	300	325
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs.			
Measure: Number of Do Not Fax complaints investigated.	0	300	400
Standard: Ensure that all entities providing utility services to consumers comply with all appropriate requirements subject to the authority's jurisdiction.			
Measure: Review monthly the service standards of 15 incumbent telecommunications companies.	180	180	180
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately, and in a non-discriminatory manner.			
Measure: Number of consumer complaint cases mediated.	2,036	2,600	2,600
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs.			
Measure: The number of citizens on the Do Not Call register.	871,587	1,040,000	1,100,000
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs.			
Measure: The number of telemarketing solicitors registered.	706	710	720
Standard: Ensure that regulated companies are providing safe and reliable electric, gas and telecommunication service for all classes of customers reasonably, appropriately and in a non-discriminatory manner.			
Measure: The number of consumer complaints investigated against telemarketers.	564	700	770
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs.			
Measure: The number of Telecommunication Devices for the Deaf (TDAP) devices distributed.	1,398	1,000	1,000
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs.			
Measure: The number of TDAP training sessions held.	6	4	4

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs. Measure: The number of TDAP public information meetings held.	6	8	8
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs. Measure: Number of outreach programs and seminars held annually.	70	80	80
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs. Measure: Quantity of consumer brochures distributed to various public outlets.	45,000	350,000	350,000
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs. Measure: The number of Lifeline and Linkup participants.	49,226	55,000	75,000
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs. Measure: Number of hits on TRA's website.	2,159,104	2,500,000	3,000,000
Standard: Enhance consumer knowledge of TRA, utility issues, and available programs. Measure: Number of documents accessible through TRA's website.	16,828	20,000	22,000

316.12 Advisory Commission on Intergovernmental Relations

316.12 Advisory Commission on Intergovernmental Relations Program Information

Objective: Update Fiscal Capacity model for Basic Education Program. Quantity or Quality: Model accurately updated (Yes/No).	Yes	Yes	Yes
Objective: Utilize the electronic medium to convey information. Quantity or Quality: Number of web hits on public infrastructure policy publications.	6,924	7,270	7,616
Objective: Utilize the electronic medium to convey information. Quantity or Quality: Number of web hits on growth planning policy publications.	6,152	6,459	6,767
Objective: Utilize the electronic medium to convey information. Quantity or Quality: Number of web hits on fiscal policy publications.	33,304	34,970	36,635
Objective: Utilize the electronic medium to convey information. Quantity or Quality: Number of web hits on education finance policy publications.	10,701	11,236	11,771
Objective: Utilize the electronic medium to convey information. Quantity or Quality: Number of web hits on special project related publications.	11,717	12,303	12,888

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Utilization of electronic medium to announce meeting dates and agenda.			
Quantity or Quality: Number of web hits on Commission meeting agenda.	954	1,001	1,049
Objective: Utilize the printed medium to convey information.			
Quantity or Quality: Number of education finance policy publications distributed.	3	4	4
Objective: Utilize the printed medium to convey information.			
Quantity or Quality: Number of fiscal policy publications distributed.	4	5	5
Objective: Utilize the printed medium to convey information.			
Quantity or Quality: Number of special project related publications distributed.	3	4	4
Objective: Utilize the electronic medium to convey information.			
Quantity or Quality: Number of web hits on fiscal capacity publications.	433	454	476

317.00 Finance and Administration

317.01 Division of Administration

Performance Information

Standard: Process 99% of all payroll accurately.			
Measure: Percentage of payroll issued correctly.	99.5%	99%	99%
Standard: Process 93% of all payments in less than 45 days as required by the Prompt Payment Act.			
Measure: Percentage of payments made within 45 days.	88%	91%	93%
Standard: Deposit 98% of all funds collected within 24 hours of receipt.			
Measure: Percentage of funds deposited within 24 hours of receipt.	99%	98%	98%
Standard: Total administrative cost should not exceed 5% of the department budget.			
Measure: Administrative cost as a percentage of total department budget.	4.8%	4.9%	<5%

Program Information

Objective: Complete computer resource billing to state agencies on time.			
Quantity or Quality: Percentage on time.	92%	100%	100%
Objective: Complete telecommunications billing to state agencies on time.			
Quantity or Quality: Percentage on time.	100%	100%	100%

General Government Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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317.02 Division of Budget

Performance Information

Standard: Budget instructions for the next fiscal year will be distributed to agencies by August 15.			
Measure: Number of days after August 15 that budget instructions were issued.	6	3	0
Standard: The annual work program (enacted and reconciled budget) for the current fiscal year will be completed and distributed to agencies by August 31.			
Measure: Number of days after August 31 that the work program is distributed to agencies.	26	26	0
Standard: Earn the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award as an indicator of Budget Document quality for the fiscal year indicated.			
Measure: GFOA Award received or not.	Yes	Yes	Not Available
Standard: Zero audit findings pertaining to Budget Document content, budget oversight functions, and Budget Office operations (for the fiscal year indicated.)			
Measure: Number of audit findings pertaining to budget functions.	Not Available	0	0

Program Information

Objective: Analyze operating budget requests.			
Quantity or Quality: Agency requests analyzed.	53	53	52
Objective: Analyze capital budget requests.			
Quantity or Quality: Agency requests analyzed.	16	17	17
Objective: Monitor agency expenditures.			
Quantity or Quality: Number of agencies monitored.	53	53	52

317.03 Office of Information Resources

Performance Information

Standard: No contract lapses between the expiration of the old contract and the beginning of the new contract period.			
Measure: Percentage of OIR contracts that were re-bid, awarded, and executed prior to the expiration date.	80%	90%	100%
Standard: Planned budgets and schedules for infrastructure projects above \$500,000 do not exceed approved levels.			
Measure: Percentage of infrastructure projects meeting approved schedules or budgets.	Not Available	50%	56%
Standard: Availability of network and mainframe systems meets or exceeds industry standards on key infrastructure systems delivered.			
Measure: Mainframe system availability for key infrastructure systems (Industry Standard 98%).	98%	98.5%	98.5%

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Availability of network and mainframe systems meets or exceeds industry standards on key infrastructure systems delivered.			
Measure: State Network availability as measured at Network Access Points (NAP) (Industry Standard 99.5%).	Not Available	99%	99.7%
Standard: Audit control over telecommunications billings will be superior to industry standards.			
Measure: Unresolved invoice audit exceptions for telecommunications billings will be 0.75%.	0.55%	0.65%	0.75%
Standard: A comprehensive, integrated information management system will be operational for the Bureau of TennCare on or before January 1, 2004.			
Measure: Number of days after January 1, 2004 TennCare information system project complete. The deadline was not met and the work is on-going.	-	-	-

Program Information

Objective: Agencies completing Information Systems Plan.			
Quantity or Quality: Number of plans submitted.	45	46	46
Objective: Base mapping for Geographic Information Systems (GIS).			
Quantity or Quality: Number of new counties mapped.	9	12	8
Objective: Increase number of security audits.			
Quantity or Quality: Number of security audits.	2	3	4
Objective: Improve response time to help desk calls.			
Quantity or Quality: Average seconds to answer call.	35	33	28
Objective: Increase data center server time.			
Quantity or Quality: Percentage of time available.	98%	99%	99%
Objective: Systems development productivity.			
Quantity or Quality: Percentage of complex programs error free.	87%	89%	89%
Objective: Increase production on-line time.			
Quantity or Quality: Percentage of time available.	98.5%	99%	99%
Objective: Increase Local Area Network (LAN) support.			
Quantity or Quality: Number of work stations.	30,000	32,000	33,000
Objective: Increase Tennessee Information Infrastructure (TNII) availability.			
Quantity or Quality: TNII onsite availability.	99%	99.5%	99.8%

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Increase Wide Area Network (WAN) support.			
Quantity or Quality: Number of network connections.	1,100	1,200	1,300
317.04 Insurance Administration			
Performance Information			
Standard: In order to minimize plan administrative cost, maintain Division of Insurance spending at a level no greater than one half of one percent of combined plan expenses.			
Measure: On a calendar year basis, compare division budget to plan expenses.	.50%	.43%	.38%
Standard: Conduct scheduled operating activities relating to eligibility, enrollment, plan selection, employee assistance and wellness promotion and plan financing in a timely manner.			
Measure: Percentage of operational activity that begins and ends on time.	100%	100%	100%
Standard: Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed income by more than 3% for more than two years in a row.			
Measure: Compare combined expenses and income of each plan to determine level of accuracy - Local Education Plan.	3.66%	2.51%	2.62%
Standard: Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed income by more than 3% for more than two years in a row.			
Measure: Compare combined expenses and income of each plan to determine level of accuracy - Local Government Plan.	-8.03%	-1.9%	4.78%
Standard: Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed income by more than 3% for more than two years in a row.			
Measure: Compare combined expenses and income of each plan to determine level of accuracy - State Plan.	-1.31%	4.10%	2.00%
Program Information			
Objective: Control administrative costs.			
Quantity or Quality: Administrative costs as percentage of total cost.	<1%	<1%	<1%
Objective: Increase Employee Awareness Program (EAP) participation.			
Quantity or Quality: Percentage of participation by eligible state employees.	4.8%	5.0%	5.0%
Objective: Provide benefits to eligible participants.			
Quantity or Quality: Number of individuals covered.	149,000	149,000	149,000

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
317.05 Division of Accounts			
Performance Information			
Standard: Complete all tax filings by their deadlines.			
Measure: Days after deadlines when tax filings are made.	0	0	0
Standard: File Cash Management Improvement Act (CMIA) annual report by December 31.			
Measure: Days after deadline CMIA was filed.	0	0	0
Standard: The Comprehensive Annual Financial Report (CAFR) for the previous fiscal year is completed and audited by Dec 31.			
Measure: Days after December 31 the previous-year CAFR was prepared and audited.	17	0	0
317.06 Criminal Justice Programs			
Performance Information			
Standard: The Office of Criminal Justice Programs will operate with no more than 7% administrative fund costs for the grants it administers.			
Measure: Operate with no more than 7% administrative fund costs for the grants administered.	8%	8%	7%
317.07 Resource Development and Support			
Performance Information			
Standard: Average days to complete Office of Contracts Review (OCR) review of approved contracts is three days or less.			
Measure: Average days to complete OCR review of approved contracts.	4	4	3
Standard: Average days to complete OCR review of Requests for Proposals (RFP) of approved contracts is five days or less.			
Measure: Average days to complete OCR review of RFP's approved contracts.	8	8	5
Program Information			
Objective: Review and approve contracts.			
Quantity or Quality: Number of contracts reviewed and approved.	3,500	3,600	3,600
Objective: Timely processing of contracts.			
Quantity or Quality: Number of days to process (including time for rework).	14	14	14
317.10 Capital Projects and Real Property Management			
Performance Information			
Standard: Design State Building Commission projects in a timely manner.			
Measure: Percentage of projects designed within 12 months of approval.	50%	65%	75%
Standard: Complete projects within original budgets approved by State Building Commission.			
Measure: Percentage of total annual projects completed within original approved budget.	50%	65%	70%

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Retrofit 1,000,000 square feet of state owned space for energy efficiency per year.			
Measure: The number of square feet of state owned space retrofitted for energy efficiency (cumulative).			
	275,000	1,275,000	2,275,000
Standard: Complete a yearly average of 500,000 rentable square feet of interior design and construction projects.			
Measure: Rentable square feet of interior design and construction projects completed over a three-year period.			
	911,814	2,000,000	2,000,000

Program Information

Objective: Provide interior design services.			
Quantity or Quality: Number of projects.			
	91	60	60
Objective: Ensure timely completion of design construction projects.			
Quantity or Quality: Percentage of projects completed on time.			
	84%	85%	87%
Objective: Manage cost of design construction.			
Quantity or Quality: Percentage of projects within budget.			
	43%	50%	50%
Objective: Provide lease administration.			
Quantity or Quality: Number of lease transactions.			
	140	140	140
Objective: Reduce vacant state housing space.			
Quantity or Quality: Vacant square feet.			
	130,900	85,000	60,000

317.11 National and Community Service

Performance Information

Standard: Mobilize 400,000 volunteers to meet community needs in education, environment, public safety, human needs and homeland security.			
Measure: Number of volunteers mobilized to meet community needs in education, environment, public safety, human needs and homeland security.			
	401,687	200,000	400,000
Standard: Train 1,000 volunteer leaders and teachers in how to effectively mobilize volunteers through AmeriCorps and service-learning.			
Measure: Number of volunteer leaders and teachers trained in how to effectively mobilize volunteers through AmeriCorps and service learning.			
	1,000	1,000	1,000

General Government Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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319.00 Personnel

319.01 Executive Administration

Performance Information

Standard: Process 90% of out-of-state travel requests within three days of being logged in.

Measure: Percent of travel requests processed within three days.

Not Available	90%	90%
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Standard: Process 90% of personal service contracts within three days of being logged in.

Measure: Percent of personal service contracts processed with three days.

Not Available	90%	90%
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Program Information

Objective: Process fiscal notes and bill analyses.

Quantity or Quality: Number processed.

270	270	270
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319.02 Human Resource Development

Performance Information

Standard: Assist state agencies in handling and resolving Title VI complaints.

Measure: Number of agencies assisted with the handling of complaints of discrimination.

0	5	0
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Standard: Log, research, and deny or forward 90% of employee suggestions to appropriate agency within five workdays of receipt.

Measure: Percent of employee suggestions forwarded to appropriate agency within five workdays of receipt.

Not Available	90%	90%
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Standard: Process 95% of Continuing Education Unit (CEU) Applications within five business days.

Measure: Percent of CEU applications processed within five business days.

Not Available	95%	95%
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Standard: Percentage of all training courses evaluated at a minimum of 4.5 on a 5.0 scale.

Measure: Percent of training courses evaluated at 4.5.

Not Available	95%	95%
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Standard: Ensure agency Affirmative Action (AA) plans are processed by October 15.

Measure: Percent of agency AA plans processed by October 15.

Not Available	95%	95%
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Standard: Process 95% of EEO/ADA complaints within three business days.

Measure: Percent of EEO/ADA complaints within three business days.

Not Available	95%	95%
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Program Information

Objective: Provide training for state employees.

Quantity or Quality: Number of class hours sponsored.

128,183	135,000	135,000
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Objective: Oversee the charity fund.

Quantity or Quality: Amount of contributions.

\$501,300	\$510,000	\$510,000
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General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Enroll state employees in the sick leave bank. Quantity or Quality: Number of employees enrolled.	1,867	1,850	1,700
Objective: Process civil service cases. Quantity or Quality: Number of grievances filed.	95	95	95
Objective: Assist those with EEO/ADA/AA concerns. Quantity or Quality: Number of employees assisted.	1,358	1,400	1,500
Objective: Process civil service grievance cases. Quantity or Quality: Grievances completed.	35	60	60
Objective: Address employee questions/issues by phone, e-mail, or in person. Quantity or Quality: Number of questions/issues addressed.	4,400	10,560	10,560
Objective: Provide training for state employees. Quantity or Quality: Number of employees trained.	12,774	14,000	14,000
Objective: Review sick leave bank applications. Quantity or Quality: Applications denied.	61	55	50
Objective: Implement Supervisory Training program - Phase 1. Quantity or Quality: Percentage of program Implemented.	96%	100%	100%
Objective: Implement Management Training program - Phase 1. Quantity or Quality: Percentage of program implemented.	92%	100%	100%
Objective: Hear sick leave bank appeals. Quantity or Quality: Appeals heard.	24	20	15

319.03 Technical Services

Performance Information

Standard: Develop, monitor, and revise assessment methods for career service job classifications according to legal guidelines and changing job requirements. Measure: Percent of assessment methods developed and implemented within 120 days of new career service job classification establishment.	Not Available	100%	100%
Standard: Conduct job classification studies to assess the needs of the state. Measure: Percent of analysts maintaining an average of ten job classification studies per year.	Not Available	80%	80%
Standard: Review and evaluate 80% of employment applications within 28 days of receipt. Measure: Percent of employment applications reviewed and evaluated within 28 days of receipt.	Not Available	80%	80%

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Resolve 80% of requests for individual salary adjustments within ten working days.			
Measure: Percent of requests for individual salary adjustments resolved within ten working days.	Not Available	75%	80%
Standard: Resolve 80% of requests for individual classification actions within ten working days.			
Measure: Percent of requests for individual classification actions resolved within ten working days.	Not Available	75%	80%
Program Information			
Objective: Monitor employee personnel transactions.			
Quantity or Quality: Appointments, promotions, demotions, transfers, and separations processed.	39,176	46,000	46,000
Objective: Review assessment methods and modify as needed.			
Quantity or Quality: Average number of days to update test.	60	60	60
Objective: Process training and experience evaluations.			
Quantity or Quality: Number of evaluations.	91,907	110,000	116,000
Objective: Identify and monitor turnover in state government.			
Quantity or Quality: Percentage of employees leaving state government.	11.9%	12.5%	12.5%
Objective: Develop or revise appropriate assessment methods.			
Quantity or Quality: Number of methods developed or revised.	72	80	80
Objective: Process supplemental payroll payments.			
Quantity or Quality: Payroll supplemental payments processed.	12,559	13,000	13,000
Objective: Simplify the job class structure.			
Quantity or Quality: Number of job classifications added/(reduced).	27	14	10
Objective: Process attendance and leave adjustments.			
Quantity or Quality: Number of attendance and leave adjustments processed.	4,600	4,750	4,750
Objective: Oversee computer tests at central office.			
Quantity or Quality: Number of computer tests.	10,867	13,000	14,000
Objective: Oversee field examination events.			
Quantity or Quality: Number of field examination events.	85	90	90
Objective: Process career service registers.			
Quantity or Quality: Career service registers processed.	8,143	8,200	8,200

General Government Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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321.00 General Services

321.01 Administration

Performance Information

Standard: Complete limited reviews, inventory observations, and other audit assignments in the audit plan.

Measure: Complete 73 total audit assignments.

77	73	73
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Program Information

Objective: Provide payroll, accounting and budgetary support to the divisions of the department.

Quantity or Quality: Percentage of vendor invoices processed within 10 days of receipt in Office of Financial Management (OFM).

93%	100%	100%
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Objective: Provide payroll, accounting and budgetary support to the divisions of the department.

Quantity or Quality: Percentage of monies received deposited within 24 hours.

100%	100%	100%
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Objective: Provide payroll, accounting and budgetary support to the divisions of the department.

Quantity or Quality: Property of State of Tennessee (POST) data meets 90% of reporting requirements for annual inventories and year-end closing.

96%	100%	100%
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321.02 Postal Services

Performance Information

Standard: Maintain low cost per piece of mail.

Measure: Cost per piece to process 59,161,711 pieces of mail including all applicable postage, add-on fees and administrative costs.

\$.256	\$.25	\$.25
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Standard: Deliver U.S. Mail received on the first dispatch on the same day.

Measure: Deliver 95% of U.S. Mail received on first dispatch on the same day.

90%	95%	95%
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Standard: Sort and deliver interoffice messenger mail within 24 hours of pick-up from sender.

Measure: Percentage of interoffice messenger mail delivered within 24 hours of receipt.

100%	100%	100%
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Standard: Meter proper amount of postage on letter and flat mail.

Measure: Percentage of properly metered postage.

70%	90%	95%
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Standard: Sort and bar code letter mail by 5:00PM daily.

Measure: Percentage of letter mail sorted and bar coded by 5:00PM daily.

100%	100%	100%
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Program Information

Objective: Insert 100% of letter mail scheduled to be mailed on a daily basis.

Quantity or Quality: Percentage of letter mail and flat mail metered by 3:00 PM daily.

70%	90%	95%
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General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Cash funds, stamp stock, and mail are secured.			
Quantity or Quality: Percentage of time all cash, stock and mail is secured.	100%	100%	100%
Objective: Reports and deposits are accurately prepared.			
Quantity or Quality: Percentage of time reports and deposits are accurately prepared.	95%	100%	100%
Objective: Financial reports are always error free.			
Quantity or Quality: Percentage of time financial reports are error free.	70%	90%	95%

321.04 Property Utilization

Performance Information

Standard: Redistribute state property to political subdivisions of the state and other eligible organizations, or sell non-redistributed property to general public.			
Measure: Redistribute 100% of state property to political subdivisions, organizations or sell to general public within 90 days.	not available	100%	100%
Standard: Redistribute federal property to political subdivisions of the state or other eligible organizations.			
Measure: Redistribute 55% of federal property to state political subdivisions or other eligible organizations.	41%	55%	55%
Standard: Increase participation by law enforcement agencies in Law Enforcement Support Office (LESO) program.			
Measure: Increase number of law enforcement agencies in LESO by 5%.	72	77	82

Program Information

Objective: Respond to all State Property request for surplus property disposal within 30 days.			
Quantity or Quality: Number of State Surplus Orders/Cost per transaction.	3,898/\$219	4,300/\$223	4,300/\$233
Objective: Redistribution of federal property to political subdivisions of the state or other eligible organizations.			
Quantity or Quality: Number of Federal Surplus donees served/cost per donee.	1,006/\$336	1,025/\$338	1,025/\$338
Objective: Acquire and redistribute 85 GSA Fleet Management auction vehicles per year.			
Quantity or Quality: GSA consignment number/ average cost per unit.	83/\$6,500	85/\$6,700	85/\$6,200
Objective: Number of agencies served in the Federal LESO program.			
Quantity or Quality: Number of agencies served/average cost for the LESO program.	72/\$63	72/\$63	72/\$63

321.06 Motor Vehicle Management

Performance Information

Standard: Provide requested regular dispatch sedans to meet agency demands at an efficient cost.			
Measure: Operate the regular dispatch sedan at a cost of \$.21 per mile.	\$.21 per mile	\$.21 per mile	\$.21 per mile

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Reduce costs to the state by disposing of seized units.			
Measure: Decrease the number of days required to dispose of seized units.	233	233	233

Program Information

Objective: Furnish the most economical and efficient ground transportation to all user agencies. Assure the proper maintenance and repair to state owned vehicles.			
Quantity or Quality: Lease fleet number of units/average monthly cost.	4,595/\$460	4,000/\$460	4,000/\$460
Objective: Administer the State's DUI Vehicle Confiscation program.			
Quantity or Quality: Number of units/average cost.	1,025/\$730	1,025/\$730	1,025/\$730
Objective: Manage state owned equipment to include maintenance, repairs, replacement and indirect costs associated with equipment.			
Quantity or Quality: Number of motorized equipment units/average monthly cost.	2,395/\$125	2,395/\$125	2,395/\$125

321.07 Property Management

Performance Information

Standard: Maintain preventative maintenance schedule.			
Measure: Perform 95% of preventive maintenance on schedule.	Not Available	95%	95%
Standard: Achieve tenant satisfaction.			
Measure: Provide excellent service to tenants at a rate of 90%, based on survey.	Not Available	95%	95%
Standard: Maintain buildings/grounds at a low price.			
Measure: Maintain buildings at a rate of no more than \$0.94/sq.ft (indirect).	\$0.94	\$0.94	\$0.94

Program Information

Objective: Efficiently manage and operate state occupied facilities.			
Quantity or Quality: Direct sq.ft. cost for buildings/grounds.	\$.36	\$.40	\$.40

321.09 Printing

Performance Information

Standard: Maintain high level of customer satisfaction.			
Measure: Achieve a 95%, "very satisfied" to "extremely satisfied," customer service rating.	Not Available	95%	95%
Standard: Deliver customer print requests on time.			
Measure: Achieve a 95% on-time delivery rate.	Not Available	95%	95%

Program Information

Objective: Provide centralized graphic, photographic, and printing services as cost effective and competitive as possible.			
Quantity or Quality: Number of impressions completed.	102,402,896	102,400,000	102,400,000

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Provide centralized graphic, photographic, and printing services as cost effective and competitive as possible.			
Quantity or Quality: Impression cost.	\$0.341	\$0.341	\$0.341
Objective: Provide centralized graphic, photographic, and printing services as cost effective and competitive as possible.			
Quantity or Quality: Number of graphic requests completed.	307	310	310
Objective: Provide centralized graphic, photographic, and printing services as cost effective and competitive as possible.			
Quantity or Quality: Graphic request cost.	\$701.30	\$701.30	\$701.30
Objective: Provide centralized graphic, photographic, and printing services as cost effective and competitive as possible.			
Quantity or Quality: Number of photo request completed.	902	900	900
Objective: Provide centralized graphic, photographic, and printing services as cost effective and competitive as possible.			
Quantity or Quality: Photo request cost.	\$271.06	\$271.06	\$271.06

321.10 Purchasing

Performance Information

Standard: Establish term contract for state procurement needs.			
Measure: Establish term contract for 68% of state procurement needs.	Not Available	68%	68%
Standard: Process one-time procurement requisitions greater than \$2,000 in less than 30 days.			
Measure: Process one-time procurement requisitions greater than \$2,000 in less than 30 days.	Not Available	100%	100%
Standard: Utilize small businesses and minority owned businesses for a minimum goal of 25% of state procurement needs.			
Measure: Percentage use of small and minority-owned businesses for state procurement needs.	Not Available	25%	25%

Program Information

Objective: Overview 100% of purchases through TOPS utilizing random sampling.			
Quantity or Quality: Number of purchase orders/average issue value through TOPS by state executive agencies.	204,364/\$1,311	200,000/\$1,340	195,000/\$1,385

321.15 Systems Management

Performance Information

Standard: Timely response to requests for service.			
Measure: Respond to 95% of inquiries within 24 hours of the request.	Not Available	95%	95%

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Provide customers with quality service on their projects.			
Measure: Achieve a combined grade of "very satisfied" on 90% of the project surveys, post implementation surveys, and annual customer service surveys.	Not Available	90%	90%

Program Information

Objective: Complete all service requests in a timely manner and provide communications on the status of the request.			
Quantity or Quality: Total service requests completed/average cost.	3,044/\$525	3,100/\$515	3,200/\$500

321.17 Records Management

Performance Information

Standard: Provide storage, retrieval, and disposal services for the state's inactive and semi-active records at a low cost.			
Measure: Number/cost per cubic foot of stored and preserved records.	85,000/\$8.60 per cu ft	90,000/\$8.60 per cu ft	93,000/\$8.60 per cu ft
Standard: Preserve documents through digital imaging, microfilm, and roll film.			
Measure: Documents preserved through digital imaging, microfilm, and roll film.	3,195,700	4,000,000	5,500,800

Program Information

Objective: Review and revise existing statewide RDA's and provide technical assistance to agencies regarding their program and retention schedules.			
Quantity or Quality: Retention schedules developed.	100	100	100
Objective: Provide training to our customer base.			
Quantity or Quality: Number of training classes/number of participants.	8/199	25/450	75/500

321.18 Central Stores

Performance Information

Standard: Fill orders received by Central Stores.			
Measure: Achieve an order fill rate of 85%.	85%	85%	85%
Standard: Attain high customer service ratings on services.			
Measure: Achieve a 95%, "very satisfied" to "extremely satisfied", customer service rating.	Not Available	95%	95%
Standard: Turnover inventory often.			
Measure: Turnover inventory at least seven times annually.	7	7	7

Program Information

Objective: Provide operational and office supplies to all entities of state government. Operate efficiently and cost effectively through volume purchases and standardized products.			
Quantity or Quality: Orders filled/average cost of goods sold.	19,500/\$313	20,800/\$293	21,900/\$278

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Develop and maintain warehousing and distribution services for the provision of goods to state agencies and departments.			
Quantity or Quality: Achieve a year end inventory variance rate of no more than 3% of total items counted.	Not Available	3%	3%
Objective: Provide operational and office supplies to all entities of state government. Operate efficiently and cost effectively through volume purchases and standardized products.			
Quantity or Quality: Average cost of handling forms.	\$.06	\$.06	\$.06

321.19 Food Services Program

Performance Information

Standard: Provide meals to certain residential populations across the state at a low cost.			
Measure: Meals provided at \$0.19 overhead per meal.	19,976,838	19,900,000	19,900,000

Program Information

Objective: Provide quality food products at the lowest operating cost while delivering the highest degree of customer service.			
Quantity or Quality: Pounds of food transported.	15,568,009	15,700,000	15,700,000
Objective: Provide quality food products at the lowest operating cost while delivering the highest degree of customer service.			
Quantity or Quality: Cost of food transported.	\$0.645 per lb.	\$0.670 per lb.	\$0.670 per lb.

323.00 Veterans Affairs

323.00 Veterans Affairs

Performance Information

Standard: Generate federal dollars to Tennessee's veterans from recurring state dollars spent for the claims and field divisions.			
Measure: Maintain return on investment of 197:1 federal dollars to recurring state dollars.	197:1	197:1	197:1
Standard: Maintain and operate the three state veterans cemeteries at a low cost.			
Measure: Maintain per gravesite cost of \$40.00 for recurring state dollars.	\$40.00	\$40.00	\$40.00
Standard: Train and certify county-employed veterans service officers.			
Measure: Train and certify 100% of county-employed service officers annually.	100%	100%	100%

General Government Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
347.00 Revenue			
Performance Information			
Standard: See preceding Performance Budget Tab, the last tab in the A-numbered pages.			
Measure: See preceding Performance Budget Tab.			
347.01 Administration Division			
Program Information			
Objective: Resolve legal cases.			
Quantity or Quality: Number of legal cases resolved.	0	45	45
Objective: Close tax cases.			
Quantity or Quality: Number of annual cases closed.	40	40	40
Objective: Tax conferences requested.			
Quantity or Quality: Number of tax conferences.	309	309	309
347.02 Tax Enforcement Division			
Program Information			
Objective: Collect delinquent taxes.			
Quantity or Quality: Total collections.	\$144,000,000	\$147,000,000	\$163,000,000
Objective: Collect delinquent taxes.			
Quantity or Quality: Cost per one dollar collected.	\$0.04	\$0.05	\$0.05
Objective: Collect delinquent taxes.			
Quantity or Quality: Average days of outstanding cases in days.	76	76	76
347.11 Information Technology Resources Division			
Program Information			
Objective: Process Requests for Service.			
Quantity or Quality: Percent of requests completed.	86%	80%	80%
347.13 Taxpayer Services Division			
Program Information			
Objective: Answer telephone calls.			
Quantity or Quality: Number of calls answered.	499,028	500,000	500,000
Objective: Conduct education seminars.			
Quantity or Quality: Education seminars conducted.	20	100	100
Objective: Conduct education seminars.			
Quantity or Quality: Number in attendance.	1,258	3,000	3,000

General Government Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Make on-line adjustments.			
Quantity or Quality: Number of on-line adjustments.	430,000	300,000	300,000
Objective: Process changes and closures.			
Quantity or Quality: Number processed.	295,339	300,000	300,000
Objective: Process taxpayer registration.			
Quantity or Quality: New registrations processed.	49,970	50,000	50,000
Objective: Serve walk-in taxpayers.			
Quantity or Quality: Walk-in taxpayers served.	17,077	20,000	20,000

347.14 Audit Division

Program Information

Objective: Audit accounts.			
Quantity or Quality: Number of field audits.	8,548	8,575	8,575
Objective: Audit accounts.			
Quantity or Quality: Dollars of assessments.	\$294,026,392	\$298,000,000	\$298,000,000
Objective: Audit accounts.			
Quantity or Quality: Number of Discovery Project assessments.	5,745	6,200	6,200
Objective: Audit accounts.			
Quantity or Quality: Number of penalty waivers examined.	4,952	5,000	5,000
Objective: Audit accounts.			
Quantity or Quality: Number of refunds examined.	14,505	14,600	14,600

347.16 Processing Division

Program Information

Objective: Deposit lockbox receipts.			
Quantity or Quality: Total dollar amount of lockbox receipts.	\$142,216,033	\$142,216,033	\$149,326,835
Objective: Deposit lockbox receipts.			
Quantity or Quality: Number of items.	581,899	610,994	641,544
Objective: Process returns/remittances.			
Quantity or Quality: Number of pieces of mail.	2,106,203	1,900,000	1,805,000

Education

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Education

Recommended Budget, Fiscal Year 2004 – 2005

This functional area is responsible for the educational efforts of the state, from pre-school and K-12 through all levels of higher education.

The Department of Education coordinates the educational programs of the local public school systems that operate Tennessee's kindergarten, elementary, secondary, and vocational schools. The department also operates the four special schools: Tennessee School for the Blind, Tennessee School for the Deaf, West Tennessee School for the Deaf, and Alvin C. York Agricultural Institute. With assistance from the Department of Education, the State Board of Education formulates the policies, standards, and guidelines governing K-12 public education. The department is responsible for implementing these policies, standards, and guidelines.

Higher education is governed by two independent systems: the University of Tennessee System and the State University and Community College System, more

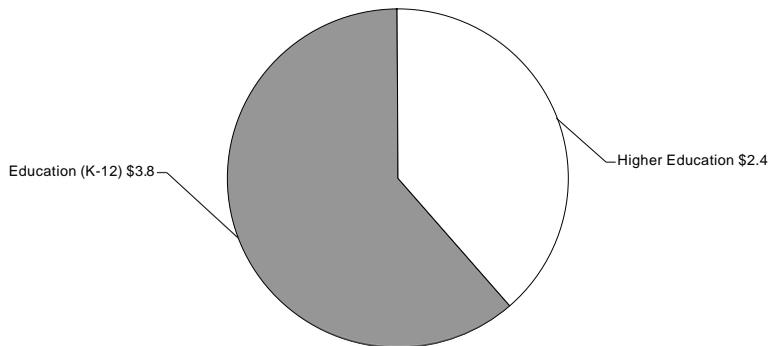
commonly known as the Tennessee Board of Regents System.

Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within this group. Funding mixes within each department vary. Figures represent state, federal, and other sources of funding, including tuition and fees.

**Education
FY 2004 - 2005 Recommended**



In Billions

\$6,203,616,600 Total

Education Total Personnel and Funding

	Actual 2002-2003	Estimated 2003-2004	Recommended 2004-2005
Personnel *			
Full Time	1,153	1,163	1,173
Part Time	15	675	675
Seasonal	0	0	0
TOTAL	1,168	1,838	1,848
Expenditures			
Payroll	\$47,922,500	\$61,257,600	\$62,527,500
Operational	5,570,338,600	5,949,696,000	6,141,089,100
TOTAL	\$5,618,261,100	\$6,010,953,600	\$6,203,616,600
Funding			
State	\$3,799,464,000	\$3,887,687,200	\$4,033,980,900
Tuition/Fees	664,415,500	744,720,000	744,720,000
Federal	734,479,700	959,287,200	999,503,000
Other	419,901,900	419,259,200	425,412,700

* Does not include Higher Education's unrestricted education and general personnel.

Education Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Education (K-12)					
• Teacher Salary Equalization					
To provide funding for teacher salary equalization through the Basic Education Program (BEP) funding formula. These funds are recommended to address the Constitutional issue of teacher salary equalization pursuant to the Tennessee Supreme Court's decision in "Tennessee Small School System, et al v. Ned Ray McWherter, et al" ("Small Schools III"). This solution changes the funding formula and improves the salary distribution system. The new Basic Education Program (BEP) instructional salary component shall become \$34,000, up from the current 136-system starting average of \$28,330, and shall be reviewed annually thereafter. The Commissioner of Education shall prepare a revised state minimum salary schedule to implement the distribution of these new instructional salary funds. The solution includes an annual review process to provide an early warning of salary disparities among school districts and to review the cost-driven salary component. The plan directs funds to the lowest-paying systems. An estimated 122 systems with 48,600 teachers will receive new instructional salary dollars through the BEP funding formula. A hold-harmless provision will ensure that no system receives less BEP instructional salary funding than in the current year. Under this solution, Tennessee's average teacher salary is estimated to increase from \$39,799 to \$43,127, which is above the current \$41,888 Southeast average.					
331.25 BEP and Other LEA Support	\$35,000,000	\$0	\$0	\$35,000,000	0
Sub-total	\$35,000,000	\$0	\$0	\$35,000,000	0
• Basic Education Program					
To maintain full funding of the Basic Education Program formula.					
331.25 BEP and Other LEA Support	\$50,100,000	\$0	\$0	\$50,100,000	0
Sub-total	\$50,100,000	\$0	\$0	\$50,100,000	0
• TeachTennessee					
To provide funding for the TeachTennessee program. This initiative challenges highly-motivated, mid-career professionals to answer the call to teach in the hardest-to-staff schools and in high-need subject areas. The program will help address the teacher shortage in under-staffed areas and will provide a streamlined application process to match candidates with participating school districts. All TeachTennessee applicants must be in the process of earning a Tennessee teaching license or initiate the process upon application to the program. To implement this initiative, funding is provided for a one-stop, web-based application process for applicant access to multiple school districts; for pre-service training institutes; and for other support services.					
331.05 Training and Professional Development	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0

Education Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Governor's Schools					
To expand the Governor's Schools from four to six weeks. These schools for gifted students are summer enrichment programs in science, the arts, and humanities. The Administration intends these schools to focus on advanced core subjects that challenge Tennessee's best and brightest high school students.					
331.06 Curriculum and Instruction	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
• Pre-K and Early Childhood Education					
To provide additional funding for pre-kindergarten and early childhood education programs. This appropriation is from estimated excess revenue in the Lottery for Education Account.					
331.09 Improving School Programs	\$0	\$0	\$8,000,000	\$8,000,000	0
Sub-total	\$0	\$0	\$8,000,000	\$8,000,000	0
• After-School Programs					
To fund after-school programs. This appropriation is from the 50% share of unclaimed lottery prize money that is deposited in the After School Account.					
331.09 Improving School Programs	\$0	\$0	\$2,000,000	\$2,000,000	0
Sub-total	\$0	\$0	\$2,000,000	\$2,000,000	0
• Education Technology					
To provide education accountability measure software aimed at assisting the state agency and local school systems in meeting requirements of the federal No Child Left Behind act.					
331.04 Technology, Infrastructure, and Support Systems	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Teachers' Salary Increase					
To fund the state share of a 2% salary increase on July 1, 2004, for teachers and other positions funded through the Basic Education Program formula.					
331.25 BEP and Other LEA Support	\$36,600,000	\$0	\$0	\$36,600,000	0
Sub-total	\$36,600,000	\$0	\$0	\$36,600,000	0
• Salary Bonus					
To fund the state share of a one-time 1% salary bonus for teachers and other positions funded through the Basic Education Program formula.					
331.25 BEP and Other LEA Support	\$18,300,000	\$0	\$0	\$18,300,000	0
Sub-total	\$18,300,000	\$0	\$0	\$18,300,000	0

Education Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2004					
To provide funding to annualize the state share of the January 1, 2004, group health insurance increase for local education agencies, which was funded for six months in the current-year budget.					
331.25 BEP and Other LEA Support	\$8,400,000	\$0	\$0	\$8,400,000	0
Sub-total	\$8,400,000	\$0	\$0	\$8,400,000	0
• Group Health Insurance - January 1, 2005					
To fund the state share of a January 1, 2005, group health insurance increase for local education agencies. This is funded for six months in the recommended budget.					
331.25 BEP and Other LEA Support	\$10,400,000	\$0	\$0	\$10,400,000	0
Sub-total	\$10,400,000	\$0	\$0	\$10,400,000	0
• Infants and Toddlers					
To provide funds for an increased number of children served by the Tennessee Infants and Toddlers program. The program provides home-based services to parents and other primary care providers and direct services to children with disabilities from birth to age three.					
331.95 Tennessee Infant-Parent Services School	\$2,434,000	\$0	\$0	\$2,434,000	10
Sub-total	\$2,434,000	\$0	\$0	\$2,434,000	10
• Teacher Training and Experience					
To fund growth in teacher training and experience at the Special Schools.					
331.90 Alvin C. York Institute	\$51,700	\$0	\$0	\$51,700	0
331.91 Tennessee School for the Blind	\$86,200	\$0	\$0	\$86,200	0
331.92 Tennessee School for the Deaf	\$65,600	\$0	\$0	\$65,600	0
331.93 West Tennessee School for the Deaf	\$12,700	\$0	\$0	\$12,700	0
331.95 Tennessee Infant-Parent Services School	\$54,900	\$0	\$0	\$54,900	0
Sub-total	\$271,100	\$0	\$0	\$271,100	0
Total Education (K-12)	\$164,755,100	\$0	\$10,000,000	\$174,755,100	10
Total Education	\$164,755,100	\$0	\$10,000,000	\$174,755,100	10

Department of Education

The Department of Education is responsible for ensuring that the children of Tennessee have the opportunity for intellectual development commensurate with their abilities. The department coordinates and supervises the educational programs provided by the 136 local school districts, or Local Education Agencies (LEAs). The LEAs operate the state's kindergarten, elementary, secondary, and vocational schools. The department carries out its education responsibilities through a multitude of program areas.

Administration and the State Board of Education

Administration functions include policy development, planning, maintenance of the Basic Education Program (BEP) funding formula model, financial management advisory services to LEAs, and collection of student membership data. Sections in Administration include:

- Commissioner's office
- Internal audit
- Personnel, central accounts, and budget
- Teacher licensing
- Local finance
- Public information
- Research and information services.

The State Board of Education is the regulatory and policy-making body for K-12 public education, the state's special schools, and educational television. The board has two primary responsibilities:

- Revising and updating the Master Plan for improving education in the state
- Establishing policies, standards, and guidelines for public education in grades K-12.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
331.01 Administration					
Full-Time	110	108	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	110	108	108	0	108
Payroll	5,288,500	6,414,600	6,445,600	0	6,445,600
Operational	1,686,000	1,770,900	1,770,900	0	1,770,900
Total	\$6,974,500	\$8,185,500	\$8,216,500	\$0	\$8,216,500
State	5,811,900	7,096,000	7,127,000	0	7,127,000
Federal	1,147,900	1,055,000	1,055,000	0	1,055,000
Other	14,700	34,500	34,500	0	34,500
331.07 State Board of Education					
Full-Time	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	370,900	446,200	446,200	0	446,200
Operational	203,400	198,200	198,200	0	198,200
Total	\$574,300	\$644,400	\$644,400	\$0	\$644,400
State	571,600	644,400	644,400	0	644,400
Federal	0	0	0	0	0
Other	2,700	0	0	0	0

State Support of LEA Programs

The BEP is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students. This formula is based on student enrollment in the different grade levels and programs, as well as specific costs for materials, supplies, equipment, and other operating costs. This flow-through funding is provided in the BEP and Other LEA Support allotment code. A county's relative ability to pay for education is taken into consideration in determining each system's required local share of the education funds generated by the BEP formula.

331.25 BEP and Other LEA Support

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,513,782,300	2,609,507,000	2,608,447,200	158,800,000	2,767,247,200
Total	\$2,513,782,300	\$2,609,507,000	\$2,608,447,200	\$158,800,000	\$2,767,247,200
State	2,512,262,600	2,609,157,000	2,608,447,200	158,800,000	2,767,247,200
Federal	0	0	0	0	0
Other	1,519,700	350,000	0	0	0

The state also provides support for a number of initiatives designed to address specific needs and special programs, including:

- Career Ladder supplements
- Educational/public television
- Tennessee Holocaust Commission
- Tennessee Alliance for Boys and Girls Club
- Driver Education
- Technology
- Accountability.

331.10 Career Ladder

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	87,652,100	84,480,000	80,619,200	0	80,619,200
Total	\$87,652,100	\$84,480,000	\$80,619,200	\$0	\$80,619,200
State	87,652,100	84,480,000	80,619,200	0	80,619,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.02 Grants-In-Aid

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,163,600	3,946,000	3,758,500	0	3,758,500
Total	\$4,163,600	\$3,946,000	\$3,758,500	\$0	\$3,758,500
State	4,163,600	3,946,000	3,758,500	0	3,758,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.43 Driver Education

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,724,100	1,700,000	1,700,000	0	1,700,000
Total	\$1,724,100	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,724,100	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.04 Technology, Infrastructure, and Support Systems

Full-Time	24	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	29	29	0	29
Payroll	1,028,600	2,036,700	1,927,800	0	1,927,800
Operational	1,108,100	1,650,400	1,600,400	2,000,000	3,600,400
Total	\$2,136,700	\$3,687,100	\$3,528,200	\$2,000,000	\$5,528,200
State	2,136,700	2,557,200	2,398,300	2,000,000	4,398,300
Federal	0	0	0	0	0
Other	0	1,129,900	1,129,900	0	1,129,900

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
331.11 Accountability					
Full-Time	59	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	52	52	0	52
Payroll	2,561,500	2,746,400	2,815,800	0	2,815,800
Operational	18,598,300	17,094,800	13,429,900	0	13,429,900
Total	\$21,159,800	\$19,841,200	\$16,245,700	\$0	\$16,245,700
State	16,379,100	15,278,200	13,682,700	0	13,682,700
Federal	49,400	100,000	100,000	0	100,000
Other	4,731,300	4,463,000	2,463,000	0	2,463,000

In order to establish statewide standards as a foundation for teaching and learning, the Office of Curriculum and Instruction is charged with the responsibility of providing local school systems with leadership and technical assistance in the design, development, and technical assistance for K-12 instructional programs. Programs include the Governor's Study Partner Program, music, art, and programs for gifted students such as the Governor's Schools. The Governor's Schools program provides four weeks of summer enrichment programs to gifted and talented high school juniors and seniors. The nine Governor's schools are:

- Science
- Arts
- Humanities
- International studies
- Career Technology.
- Prospective teachers
- Tennessee studies
- Agriculture
- Manufacturing technology

Through the Training and Professional Development program, the department provides training and professional development opportunities for instructional personnel, school system superintendents, and board members. The department also provides technology training for teachers and administrators by offering workshops, training sessions, and the annual Tennessee Education Technology Conference.

331.06 Curriculum and Instruction

Full-Time	31	28	28	0	28
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	40	37	37	0	37
Payroll	1,262,300	1,609,500	1,638,400	0	1,638,400
Operational	6,512,600	55,168,700	55,283,400	750,000	56,033,400
Total	\$7,774,900	\$56,778,200	\$56,921,800	\$750,000	\$57,671,800
State	1,612,200	3,074,500	3,074,500	750,000	3,824,500
Federal	6,161,700	53,653,600	53,797,200	0	53,797,200
Other	1,000	50,100	50,100	0	50,100

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
331.05 Training and Professional Development					
Full-Time	19	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	18	18	0	18
Payroll	839,200	1,275,100	1,275,100	0	1,275,100
Operational	7,657,200	8,871,000	7,264,200	500,000	7,764,200
Total	\$8,496,400	\$10,146,100	\$8,539,300	\$500,000	\$9,039,300
State	8,388,800	8,066,500	6,459,700	500,000	6,959,700
Federal	0	1,465,000	1,465,000	0	1,465,000
Other	107,600	614,600	614,600	0	614,600

Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the No Child Left Behind Act, are designed to enhance the learning environment of disadvantaged and disabled students. Other programs support teacher training in the core academic subjects as well as drug awareness and AIDS education. Title I, Title II, and Title V of the Elementary and Secondary Education Act (ESEA) are entirely federally-funded and administered by the state. Child nutrition programs, services to handicapped students, and vocational education programs are federally and state funded.

331.12 Goals 2000 and Technology Literacy

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,460,800	0	0	0	0
Total	\$2,460,800	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	2,460,800	0	0	0	0
Other	0	0	0	0	0

The No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act, which represents the President's education reform plan, contains four basic education reform principles: stronger accountability for results, increased flexibility and local control, expanded options for parents, and an emphasis on teaching methods that have been proven to work.

331.03 ESEA No Child Left Behind

Full-Time	43	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	52	52	0	52

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	2,140,000	3,053,500	3,053,500	0	3,053,500
Operational	213,375,100	295,835,000	295,896,700	0	295,896,700
Total	\$215,515,100	\$298,888,500	\$298,950,200	\$0	\$298,950,200
State	0	0	0	0	0
Federal	215,492,800	298,888,500	298,950,200	0	298,950,200
Other	22,300	0	0	0	0

Improving School Programs fund a variety of initiatives designed to provide support for local efforts. The School-age Child Care Program was adopted by law in 1989 to encourage the development of before and after school child care programs. The department is responsible for annually inspecting each site for compliance with state child care standards. The Early Childhood Education Initiative was implemented in 1998 to improve the effectiveness of the Title I and locally-funded preschool programs in order to meet the goal of school readiness. The Safe and Drug-Free Schools and Communities Program provides financial and technical support to schools and communities in their efforts to reduce adolescent drug use and violence. Even Start grants fund a family literacy program to prepare preschool children for school and to assist parents in working with their children. Financial support is provided through a variety of grant programs, including formula grants to LEAs as well as discretionary grants to both school and community-based programs. Other federally funded programs in the Improving School Programs allotment code include:

- Homeless grants
- Learn and Serve grants
- Byrd scholarships
- Troops to Teachers
- Head Start State Collaborative.

331.09 Improving School Programs

Full-Time	47	42	42	0	42
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	48	43	43	0	43
Payroll	1,606,100	2,364,100	2,364,100	0	2,364,100
Operational	40,275,000	34,201,400	34,019,900	10,000,000	44,019,900
Total	\$41,881,100	\$36,565,500	\$36,384,000	\$10,000,000	\$46,384,000
State	9,226,800	13,162,300	13,048,300	0	13,048,300
Federal	20,613,900	22,638,800	22,638,800	0	22,638,800
Other	12,040,400	764,400	696,900	10,000,000	10,696,900

The Division of Special Education Services is responsible for initiating, improving, and expanding special education programs and services to children with disabilities as mandated by state and federal law. The division serves children through two major efforts:

- Providing technical assistance to school systems and agencies that provide special education programs
- Ensuring that the rights of disabled children and their parents are protected by:
 - (a) Mediating, upon request, disagreements between local school systems and parents regarding a child's educational program
 - (b) Providing due process hearings.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
331.36 Special Education Services					
Full-Time	70	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	70	70	0	70
Payroll	2,866,300	3,920,900	3,920,900	0	3,920,900
Operational	154,749,800	191,623,300	211,623,300	0	211,623,300
Total	\$157,616,100	\$195,544,200	\$215,544,200	\$0	\$215,544,200
State	523,600	544,200	544,200	0	544,200
Federal	157,084,600	195,000,000	215,000,000	0	215,000,000
Other	7,900	0	0	0	0

The Tennessee Infant Parent Services School program provides home-based services to parents and other primary care providers and direct services to children with disabilities.

331.95 Tennessee Infant-Parent Services School

Full-Time	35	35	35	10	45
Part-Time	0	600	600	0	600
Seasonal	0	0	0	0	0
Total	35	635	635	10	645
Payroll	2,505,500	5,471,200	5,607,900	637,000	6,244,900
Operational	19,764,800	19,153,100	18,036,400	1,851,900	19,888,300
Total	\$22,270,300	\$24,624,300	\$23,644,300	\$2,488,900	\$26,133,200
State	13,408,400	13,507,700	13,507,700	2,488,900	15,996,600
Federal	7,778,000	10,136,600	10,136,600	0	10,136,600
Other	1,083,900	980,000	0	0	0

The School Nutrition programs provide nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses LEAs for all eligible students who participate in the School Lunch and School Breakfast programs.

331.35 School Nutrition Programs

Full-Time	21	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	24	24	0	24
Payroll	1,044,900	1,378,000	1,378,000	0	1,378,000
Operational	167,764,300	208,778,800	208,778,800	0	208,778,800
Total	\$168,809,200	\$210,156,800	\$210,156,800	\$0	\$210,156,800
State	4,768,600	4,805,500	4,805,500	0	4,805,500
Federal	164,035,700	205,351,300	205,351,300	0	205,351,300
Other	4,900	0	0	0	0

The Vocational Education program is responsible for providing specialized education services to the state's high school students that will prepare them for employment and/or post-secondary education. The Division of Vocational Education also provides direction to the LEAs in establishing and maintaining programs in areas such as:

- Agriculture
- Family and consumer services
- Trade and industry
- Information technology
- Marketing
- Health science
- Technology education.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
331.45 Vocational Education Programs					
Full-Time	61	51	51	0	51
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	61	51	51	0	51
Payroll	1,985,800	2,976,100	2,976,100	0	2,976,100
Operational	26,809,900	30,969,100	30,969,100	0	30,969,100
Total	\$28,795,700	\$33,945,200	\$33,945,200	\$0	\$33,945,200
State	2,628,800	3,661,500	3,661,500	0	3,661,500
Federal	25,728,100	29,408,800	29,408,800	0	29,408,800
Other	438,800	874,900	874,900	0	874,900

Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction education opportunities in residential settings for legally blind, deaf, and/or multi-disabled children ages preschool to 21. These schools are the Tennessee School for the Blind, the Tennessee School for the Deaf, and the West Tennessee School for the Deaf. The programs offered include:

- Academic instruction
- Self-care skills
- Counseling
- Pre-vocational training
- Child health and safety
- Independent living skills
- Consultation services to LEAs
- Diagnosis and identification of learning problems.

Additionally, the department operates the Alvin C. York Institute in Jamestown, a model rural high school that serves as a center for improving rural education.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
331.91 Tennessee School for the Blind					
Full-Time	184	184	184	0	184
Part-Time	3	23	23	0	23
Seasonal	0	0	0	0	0
Total	187	207	207	0	207
Payroll	7,302,800	7,711,900	7,711,900	86,200	7,798,100
Operational	1,339,800	1,914,000	1,564,000	0	1,564,000
Total	\$8,642,600	\$9,625,900	\$9,275,900	\$86,200	\$9,362,100
State	7,936,500	8,411,400	8,411,400	86,200	8,497,600
Federal	0	0	0	0	0
Other	706,100	1,214,500	864,500	0	864,500
331.92 Tennessee School for the Deaf					
Full-Time	245	245	245	0	245
Part-Time	1	21	21	0	21
Seasonal	0	0	0	0	0
Total	246	266	266	0	266
Payroll	8,705,200	9,564,300	9,514,300	65,600	9,579,900
Operational	2,637,100	3,171,600	2,721,600	0	2,721,600
Total	\$11,342,300	\$12,735,900	\$12,235,900	\$65,600	\$12,301,500
State	10,903,600	11,798,300	11,748,300	65,600	11,813,900
Federal	0	37,800	37,800	0	37,800
Other	438,700	899,800	449,800	0	449,800
331.93 West Tennessee School for the Deaf					
Full-Time	42	42	42	0	42
Part-Time	0	9	9	0	9
Seasonal	0	0	0	0	0
Total	42	51	51	0	51
Payroll	1,583,200	1,733,700	1,733,700	12,700	1,746,400
Operational	272,400	329,200	329,200	0	329,200
Total	\$1,855,600	\$2,062,900	\$2,062,900	\$12,700	\$2,075,600
State	1,708,500	1,864,300	1,864,300	12,700	1,877,000
Federal	0	39,500	39,500	0	39,500
Other	147,100	159,100	159,100	0	159,100
331.90 Alvin C. York Institute					
Full-Time	76	77	77	0	77
Part-Time	0	11	11	0	11
Seasonal	0	0	0	0	0
Total	76	88	88	0	88
Payroll	3,571,100	3,934,600	3,984,600	51,700	4,036,300
Operational	831,500	916,400	875,900	0	875,900
Total	\$4,402,600	\$4,851,000	\$4,860,500	\$51,700	\$4,912,200
State	3,780,000	3,954,400	4,004,400	51,700	4,056,100
Federal	33,300	37,500	37,500	0	37,500
Other	589,300	859,100	818,600	0	818,600

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
331.97 Major Maintenance					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	185,000	239,100	239,100	0	239,100
Total	\$185,000	\$239,100	\$239,100	\$0	\$239,100
State	185,000	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
331.00 Department Total					
Full-Time	1,073	1,063	1,063	10	1,073
Part-Time	14	674	674	0	674
Seasonal	0	0	0	0	0
Total	1,087	1,737	1,737	10	1,747
Payroll	44,661,900	56,636,800	56,793,900	853,200	57,647,100
Operational	3,273,553,200	3,571,518,000	3,579,125,900	173,901,900	3,753,027,800
Total	\$3,318,215,100	\$3,628,154,800	\$3,635,919,800	\$174,755,100	\$3,810,674,900
State	2,695,772,500	2,797,948,500	2,789,746,200	164,755,100	2,954,501,300
Federal	600,586,200	817,812,400	838,017,700	0	838,017,700
Other	21,856,400	12,393,900	8,155,900	10,000,000	18,155,900

Statistical Data State Special Schools

	York Institute 331.90	TN School for the Blind 331.91	TN School for the Deaf 331.92	West TN School for the Deaf 331.93
Annual Admissions				
1997-1998	750	10	27	55
1998-1999	718	13	28	59
1999-2000	800	16	29	57
2000-2001	723	12	32	51
2001-2002	750	12	24	51
2002-2003	750	10	32	63
2003-2004	775	12	35	62
2004-2005	775	13	30	62
Annual Releases				
1997-1998	250	8	22	5
1998-1999	250	8	30	9
1999-2000	250	8	27	6
2000-2001	210	4	30	5
2001-2002	175	4	38	8
2002-2003	175	8	14	7
2003-2004	195	8	17	8
2004-2005	195	9	19	7
Average Daily Census				
1997-1998	676	164	180	45
1998-1999	621	167	184	52
1999-2000	617	172	179	47
2000-2001	575	210	179	43
2001-2002	575	210	188	44
2002-2003	605	212	155	56
2003-2004	625	212	175	55
2004-2005	630	213	175	55
Cost Per Occupancy Day				
1997-1998	\$28.84	\$229.58	\$280.18	\$157.70
1998-1999	\$32.82	\$246.77	\$305.89	\$157.57
1999-2000	\$37.01	\$245.24	\$309.31	\$195.28
2000-2001	\$39.93	\$215.39	\$349.71	\$224.42
2001-2002	\$39.93	\$218.72	\$330.94	\$227.65
2002-2003	\$40.43	\$226.48	\$338.78	\$153.41
2003-2004	\$43.12	\$252.25	\$336.93	\$173.64
2004-2005	\$43.32	\$244.19	\$325.44	\$174.71

Higher Education

Providing affordable, high-quality, post-secondary education to Tennesseans is the mission of the state-sponsored higher education program. Higher Education also provides valuable services through its research, medical, agriculture, and public service programs. In addition, emphasis is placed on the coordination of higher education, student financial aid, and special programs designed to improve the overall quality of education in Tennessee. The University of Tennessee System, the State University and Community College System, the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

State-Administered Programs

Tennessee Higher Education Commission

The Tennessee Higher Education Commission (THEC) was created to coordinate and unify Tennessee's program of public higher education. Its primary responsibilities include:

- Developing and maintaining a master plan for public higher education in Tennessee
- Developing policies and formulas for the fair and equitable distribution of public funds among Tennessee's public institutions of higher education
- Studying the need for programs, departments, and other educational activities at Tennessee's institutions of higher learning
- Reviewing all proposals for new degrees or degree programs and academic departments or divisions within the institutions
- Studying and making determinations concerning the establishment of new institutions of higher learning
- Submitting a biennial report to the Governor and the Legislature on the status of higher education
- Administering the contract education program with in-state private institutions and with out-of-state institutions through the Southern Regional Education Board
- Coordinating desegregation planning in public institutions
- Administering the tuition waiver and discount programs
- Authorizing post-secondary educational institutions to operate in the state and reviewing programs to ensure they meet minimum standards set forth in the Post-secondary Education Authorization Act
- Researching and analyzing data from the Tennessee Education Lottery Scholarship program to determine student success and scholarship retention.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.01 Tennessee Higher Education Commission					
Full-Time	33	37	37	0	37
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	34	38	38	0	38
Payroll	2,032,500	2,589,800	2,659,800	0	2,659,800
Operational	669,900	830,800	838,900	0	838,900
Total	\$2,702,400	\$3,420,600	\$3,498,700	\$0	\$3,498,700
State	1,762,500	1,936,500	1,924,600	0	1,924,600
Federal	270,000	272,600	283,400	0	283,400
Other	669,900	1,211,500	1,290,700	0	1,290,700

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.02 Contract Education					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,500,000	2,330,100	2,317,600	0	2,317,600
Total	\$2,500,000	\$2,330,100	\$2,317,600	\$0	\$2,317,600
State	2,500,000	2,330,100	2,317,600	0	2,317,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.09 THEC Grants

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,767,000	3,796,500	3,783,000	0	3,783,000
Total	\$3,767,000	\$3,796,500	\$3,783,000	\$0	\$3,783,000
State	2,619,200	2,509,600	2,496,100	0	2,496,100
Federal	1,147,800	1,286,900	1,286,900	0	1,286,900
Other	0	0	0	0	0

Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit corporation that administers state and federal student financial assistance programs. TSAC's duties include:

- Guaranteeing student loans
- Administering the Academic Scholars Program and, for financially needy Tennesseans, the Tennessee Student Assistance Awards Program
- Administering loan/scholarship programs encouraging students to enter the teaching, nursing, and medical professions
- Executing the federal program designed to prevent potential defaults on student loans
- Arranging or serving as the lender of last resort
- Marketing and administering the Tennessee Education Lottery Scholarship program.

332.03 Tennessee Student Assistance Awards

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	45,863,600	42,770,900	42,549,900	0	42,549,900
Total	\$45,863,600	\$42,770,900	\$42,549,900	\$0	\$42,549,900
State	44,132,000	41,208,500	40,987,500	0	40,987,500
Federal	1,731,600	1,562,400	1,562,400	0	1,562,400
Other	0	0	0	0	0

332.04 Federal Family Education Loan Program (FFELP)

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	63,549,400	80,000,000	100,000,000	0	100,000,000
Total	\$63,549,400	\$80,000,000	\$100,000,000	\$0	\$100,000,000
State	0	0	0	0	0
Federal	62,081,700	76,602,500	96,602,500	0	96,602,500
Other	1,467,700	3,397,500	3,397,500	0	3,397,500

332.05 Tennessee Student Assistance Corporation

Full-Time	33	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	33	49	49	0	49
Payroll	1,228,100	2,031,000	2,220,600	0	2,220,600
Operational	12,472,600	14,522,500	14,637,300	0	14,637,300
Total	\$13,700,700	\$16,553,500	\$16,857,900	\$0	\$16,857,900
State	966,700	1,267,700	1,260,100	0	1,260,100
Federal	4,868,100	3,809,200	3,808,900	0	3,808,900
Other	7,865,900	11,476,600	11,788,900	0	11,788,900

332.07 Loan/Scholarship Programs

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,078,500	2,104,500	2,098,100	0	2,098,100
Total	\$2,078,500	\$2,104,500	\$2,098,100	\$0	\$2,098,100
State	1,191,000	1,191,000	1,184,600	0	1,184,600
Federal	0	0	0	0	0
Other	887,500	913,500	913,500	0	913,500

Tennessee Foreign Language Institute

The Tennessee Foreign Language Institute mission is to promote, encourage, enhance and facilitate the learning and teaching of foreign languages. The Institute serves more than 4,000 people per year through classes in more than 115 languages and self-study programs in another 26 languages.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.14 Tennessee Foreign Language Institute					
Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	0	0	0	0	0
Operational	1,595,700	1,785,700	1,784,100	0	1,784,100
Total	\$1,595,700	\$1,785,700	\$1,784,100	\$0	\$1,784,100
State	291,100	294,800	293,200	0	293,200
Federal	0	0	0	0	0
Other	1,304,600	1,490,900	1,490,900	0	1,490,900

Academic Scholars Program

The Academic Scholars Program provides scholarships to some of Tennessee's brightest graduating high school students to encourage them to attend Tennessee's higher education institutions. This program is administered by the Tennessee Student Assistance Corporation.

332.06 Academic Scholars Program

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	560,600	630,500	629,100	0	629,100
Total	\$560,600	\$630,500	\$629,100	\$0	\$629,100
State	251,800	251,800	250,400	0	250,400
Federal	0	0	0	0	0
Other	308,800	378,700	378,700	0	378,700

Centers of Excellence

The Centers of Excellence Program provides additional funding to Tennessee's public four-year universities to supplement specific disciplines that are excellent or demonstrate the potential to become excellent. The state has established 26 Centers of Excellence based on the following principles: expansion of research and economic development activities, attainment of regional and national recognition, enhancement of existing institutional strengths, and differentiation of missions among institutions. This program is administered by the Tennessee Higher Education Commission.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.08 Centers of Excellence					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	17,770,900	17,112,500	17,020,700	0	17,020,700
Total	\$17,770,900	\$17,112,500	\$17,020,700	\$0	\$17,020,700
State	17,770,900	17,112,500	17,020,700	0	17,020,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Centers of Emphasis

The Campus Centers of Emphasis Program provides supplemental funding to demonstrably excellent programs at the state's public two-year institutions. The state has established 15 Campus Centers of Emphasis based on the same principles applying to the Centers of Excellence. This program is administered by the Tennessee Higher Education Commission.

332.11 Campus Centers of Emphasis

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,276,400	1,229,000	1,222,400	0	1,222,400
Total	\$1,276,400	\$1,229,000	\$1,222,400	\$0	\$1,222,400
State	1,276,400	1,229,000	1,222,400	0	1,222,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Geier Desegregation Agreement

In January 2001, a settlement agreement in the *Geier* higher education desegregation lawsuit was approved by the U.S. District Court in Nashville. Implementation of the agreement will result in final resolution of the lawsuit that was filed in 1968. The settlement agreement is designed to “create an educational system that enhances increased enrollment of African American students at the predominately white institutions and that likewise enhances the enrollment of white students at the state’s predominately black institution,” which is Tennessee State University (TSU) in Nashville. The agreement also is intended “to increase the presence of other-race faculty, staff, and administrators on the campuses of the state’s colleges and universities.”

Except for one 10-year funding commitment, the plan is to be implemented over five years from January 4, 2001. The agreement sets forth commitments for higher education in middle Tennessee, statewide issues in both university systems, and implementation.

Major ingredients of the plan require annual appropriations for a TSU Endowment for Educational Excellence over 10 years; capital improvements and revitalization of the TSU Avon Williams Downtown Campus; consideration of merger of the Nashville School of Law with TSU; creation of new, high-demand academic programs at TSU as an alternative to the law school merger; statewide recruitment and retention initiatives for African American students, faculty, and administrators, including scholarships, pre-doctoral fellowships, visiting professorships, pre-university summer programs, and minority financial aid; and recruitment of other-race and non-traditional students to TSU.

The first appropriation for the state's commitment to this settlement agreement was made in the 2001 General Appropriations Act, and administrative initiatives began in the last half of fiscal year 2000-2001. Major program initiative spending began in fiscal year 2001-2002 and continues in the current year and next year.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.13 Geier Desegregation Settlement					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	8,481,300	11,265,000	11,204,600	0	11,204,600
Total	\$8,481,300	\$11,265,000	\$11,204,600	\$0	\$11,204,600
State	8,481,300	11,265,000	11,204,600	0	11,204,600
Federal	0	0	0	0	0
Other	0	0	0	0	0
Total State-Administered Programs					
Full-Time	80	100	100	0	100
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	81	101	101	0	101
Payroll	3,260,600	4,620,800	4,880,400	0	4,880,400
Operational	160,585,900	178,378,000	198,085,700	0	198,085,700
Total	\$163,846,500	\$182,998,800	\$202,966,100	\$0	\$202,966,100
State	81,242,900	80,596,500	80,161,800	0	80,161,800
Federal	70,099,200	83,533,600	103,544,100	0	103,544,100
Other	12,504,400	18,868,700	19,260,200	0	19,260,200

University of Tennessee System

The University of Tennessee(UT) is a statewide land grant institution governed by a Board of Trustees. The University of Tennessee offers academic programs in a large number of specialized areas at the bachelor's, master's, and doctoral levels. In addition to the traditional teaching mission, the UT system is engaged in a number of research and public service activities.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2002 and 2003. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general, and auxiliary enterprise sources.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.10 UT University-Wide Administration					
Full-Time					
Administrative	150	147	147	0	147
Faculty	0	0	0	0	0
Clerical/Support	184	164	164	0	164
Total	334	311	311	0	311
FTE Enrollment	0	0	0	0	0
State	3,116,400	3,069,200	3,046,000	0	3,046,000
Federal	0	0	0	0	0
Other	17,530,200	16,782,000	16,782,000	0	16,782,000
Tuition/Fees	0	0	0	0	0
Total	\$20,646,600	\$19,851,200	\$19,828,000	\$0	\$19,828,000

Public Service

One of the missions of the University of Tennessee is to provide services to the public beyond traditional post-secondary and professional education and training by:

- Providing information and technical assistance to business, industry, and government
- Advising the counties, cities, and towns of Tennessee in such areas as law, public works, finance, accounting, and governmental affairs
- Providing continuing education on and off campuses, with special emphasis on degree-granting programs in non-traditional settings.

332.15 UT Institute for Public Service

Full-Time					
Administrative	31	30	30	0	30
Faculty	0	0	0	0	0
Clerical/Support	16	22	22	0	22
Total	47	52	52	0	52

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
FTE Enrollment	0	0	0	0	0
State	4,746,900	4,633,900	4,609,100	0	4,609,100
Federal	367,200	950,000	950,000	0	950,000
Other	250,000	434,000	434,000	0	434,000
Tuition/Fees	0	0	0	0	0
Total	\$5,364,100	\$6,017,900	\$5,993,100	\$0	\$5,993,100

332.16 UT Municipal Technical Advisory Service

Full-Time					
Administrative	31	30	30	0	30
Faculty	0	0	0	0	0
Clerical/Support	13	12	12	0	12
Total	44	42	42	0	42
FTE Enrollment	0	0	0	0	0
State	1,486,100	1,488,800	1,480,700	0	1,480,700
Federal	2,800	0	0	0	0
Other	2,263,600	2,063,200	2,063,200	0	2,063,200
Tuition/Fees	0	0	0	0	0
Total	\$3,752,500	\$3,552,000	\$3,543,900	\$0	\$3,543,900

332.17 UT County Technical Assistance Service

Full-Time					
Administrative	23	24	24	0	24
Faculty	0	0	0	0	0
Clerical/Support	4	8	8	0	8
Total	27	32	32	0	32
FTE Enrollment	0	0	0	0	0
State	1,117,900	1,111,100	1,105,000	0	1,105,000
Federal	0	0	0	0	0
Other	1,879,800	1,830,100	1,830,100	0	1,830,100
Tuition/Fees	0	0	0	0	0
Total	\$2,997,700	\$2,941,200	\$2,935,100	\$0	\$2,935,100

Agricultural Units

Agricultural programs are an important focus of the University of Tennessee in its capacity as a land grant institution. The various units of the program promote and support agriculture through basic and applied research, through assistance to community groups in all 95 counties, and through veterinary training and research.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.25 UT Agricultural Experiment Station					
Full-Time					
Administrative	124	109	109	0	109
Faculty	85	88	88	0	88
Clerical/Support	225	184	184	0	184
Total	434	381	381	0	381
FTE Enrollment	0	0	0	0	0
State	20,725,000	20,546,600	20,422,900	0	20,422,900
Federal	4,457,600	5,368,800	5,368,800	0	5,368,800
Other	3,601,300	3,041,000	3,041,000	0	3,041,000
Tuition/Fees	0	0	0	0	0
Total	\$28,783,900	\$28,956,400	\$28,832,700	\$0	\$28,832,700

332.26 UT Agricultural Extension Service

Full-Time					
Administrative	289	295	295	0	295
Faculty	63	60	60	0	60
Clerical/Support	152	144	144	0	144
Total	504	499	499	0	499
FTE Enrollment	0	0	0	0	0
State	24,478,000	24,369,300	24,227,800	0	24,227,800
Federal	7,731,000	8,241,700	8,241,700	0	8,241,700
Other	842,900	622,500	622,500	0	622,500
Tuition/Fees	0	0	0	0	0
Total	\$33,051,900	\$33,233,500	\$33,092,000	\$0	\$33,092,000

332.28 UT Veterinary Medicine

Full-Time					
Administrative	44	52	52	0	52
Faculty	80	90	90	0	90
Clerical/Support	137	146	146	0	146
Total	261	288	288	0	288
FTE Enrollment	451	429	429	0	429
State	13,459,500	13,296,800	13,198,300	0	13,198,300
Federal	774,900	826,400	826,400	0	826,400
Other	6,274,100	6,354,400	6,354,400	0	6,354,400
Tuition/Fees	3,025,300	3,441,700	3,441,700	0	3,441,700
Total	\$23,533,800	\$23,919,300	\$23,820,800	\$0	\$23,820,800

Medical Education Units

The Medical Education Program of the University of Tennessee plays an important role in helping to meet the state's health care needs. With the goal of providing high-quality health care to all geographic regions of the state, the medical education program trains physicians and other health care professionals.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.30 UT Memphis					
Full-Time					
Administrative	231	244	244	0	244
Faculty	177	170	170	0	170
Clerical/Support	525	532	532	0	532
Total	933	946	946	0	946
FTE Enrollment	1,977	2,008	2,008	0	2,008
State	58,077,700	58,105,700	57,709,600	0	57,709,600
Federal	10,890,800	8,489,800	8,489,800	0	8,489,800
Other	14,209,900	14,605,900	14,605,900	0	14,605,900
Tuition/Fees	13,283,900	14,512,200	14,512,200	0	14,512,200
Total	\$96,462,300	\$95,713,600	\$95,317,500	\$0	\$95,317,500

332.32 UT Family Medicine

Full-Time					
Administrative	25	26	26	0	26
Faculty	43	38	38	0	38
Clerical/Support	161	139	139	0	139
Total	229	203	203	0	203
FTE Enrollment	0	0	0	0	0
State	6,317,300	6,356,400	6,320,800	0	6,320,800
Federal	2,566,900	2,260,100	2,260,100	0	2,260,100
Other	13,644,300	14,742,900	14,742,900	0	14,742,900
Tuition/Fees	0	0	0	0	0
Total	\$22,528,500	\$23,359,400	\$23,323,800	\$0	\$23,323,800

332.34 UT College of Medicine

Full-Time					
Administrative	142	144	144	0	144
Faculty	533	454	454	0	454
Clerical/Support	242	226	226	0	226
Total	917	824	824	0	824

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
FTE Enrollment	0	0	0	0	0
State	40,975,300	40,344,400	39,857,100	0	39,857,100
Federal	16,412,100	14,606,800	14,606,800	0	14,606,800
Other	13,391,800	13,951,200	13,951,200	0	13,951,200
Tuition/Fees	12,826,900	13,096,000	13,096,000	0	13,096,000
Total	\$83,606,100	\$81,998,400	\$81,511,100	\$0	\$81,511,100

University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate study at each of its three major campuses. These campuses provide services to citizens in all areas of the state through education, research, and public service activities.

The University of Tennessee Space Institute provides graduate study and research in aerospace engineering and related fields. The institute also provides assistance to private companies involved in aerospace engineering.

332.23 UT Space Institute

Full-Time					
Administrative	33	30	30	0	30
Faculty	41	41	41	0	41
Clerical/Support	47	50	50	0	50
Total	121	121	121	0	121
FTE Enrollment	70	65	65	0	65
State	7,232,600	7,203,900	7,157,100	0	7,157,100
Federal	388,400	470,000	470,000	0	470,000
Other	425,000	427,000	427,000	0	427,000
Tuition/Fees	1,305,300	1,271,000	1,271,000	0	1,271,000
Total	\$9,351,300	\$9,371,900	\$9,325,100	\$0	\$9,325,100

332.40 UT Chattanooga

Full-Time					
Administrative	219	196	196	0	196
Faculty	340	322	322	0	322
Clerical/Support	318	312	312	0	312
Total	877	830	830	0	830
FTE Enrollment	7,050	7,138	7,138	0	7,138
State	38,814,400	38,341,700	37,958,400	0	37,958,400
Federal	482,000	160,000	160,000	0	160,000
Other	9,966,000	10,233,100	10,233,100	0	10,233,100
Tuition/Fees	31,713,700	33,877,500	33,877,500	0	33,877,500
Total	\$80,976,100	\$82,612,300	\$82,229,000	\$0	\$82,229,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.42 UT Knoxville					
Full-Time					
Administrative	741	760	760	0	760
Faculty	1,267	1,303	1,303	0	1,303
Clerical/Support	1,534	1,533	1,533	0	1,533
Total	3,542	3,596	3,596	0	3,596
FTE Enrollment	22,700	22,236	22,236	0	22,236
State	160,698,000	158,650,800	157,016,900	0	157,016,900
Federal	10,480,300	7,845,000	7,845,000	0	7,845,000
Other	132,387,100	130,925,300	130,925,300	0	130,925,300
Tuition/Fees	143,393,200	154,834,100	154,834,100	0	154,834,100
Total	\$446,958,600	\$452,255,200	\$450,621,300	\$0	\$450,621,300

332.44 UT Martin

Full-Time					
Administrative	116	117	117	0	117
Faculty	267	257	257	0	257
Clerical/Support	260	254	254	0	254
Total	643	628	628	0	628
FTE Enrollment	5,311	5,265	5,265	0	5,265
State	27,491,100	27,177,700	26,903,900	0	26,903,900
Federal	131,500	104,000	104,000	0	104,000
Other	9,710,200	9,355,600	9,355,600	0	9,355,600
Tuition/Fees	22,033,700	24,033,300	24,033,300	0	24,033,300
Total	\$59,366,500	\$60,670,600	\$60,396,800	\$0	\$60,396,800

Total University of Tennessee System

Full-Time					
Administrative	2,199	2,204	2,204	0	2,204
Faculty	2,896	2,823	2,823	0	2,823
Clerical/Support	3,818	3,726	3,726	0	3,726
Total	8,913	8,753	8,753	0	8,753
FTE Enrollment	37,559	37,141	37,141	0	37,141
State	408,736,200	404,696,300	401,013,600	0	401,013,600
Federal	54,685,500	49,322,600	49,322,600	0	49,322,600
Other	226,376,200	225,368,200	225,368,200	0	225,368,200
Tuition/Fees	227,582,000	245,065,800	245,065,800	0	245,065,800
Total	\$917,379,900	\$924,452,900	\$920,770,200	\$0	\$920,770,200

State University and Community College System

The State University and Community College System consists of four-year universities, two-year community colleges, technical institutes, and technology centers which serve the citizens of Tennessee through teaching, research, and public service. The system is governed by the Tennessee Board of Regents. Planning, coordination, and review functions are the responsibility of the administrative staff of the Board of Regents.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2002 and 2003. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.60 Tennessee Board of Regents					
Full-Time					
Administrative	62	60	60	0	60
Faculty	0	0	0	0	0
Clerical/Support	22	18	18	0	18
Total	84	78	78	0	78
FTE Enrollment	0	0	0	0	0
State					
State	3,803,500	3,761,800	3,740,000	0	3,740,000
Federal	0	0	0	0	0
Other	3,973,300	3,838,700	3,838,700	0	3,838,700
Tuition/Fees	0	0	0	0	0
Total	\$7,776,800	\$7,600,500	\$7,578,700	\$0	\$7,578,700

Agricultural Unit

The TSU McMinnville Center is dedicated solely to nursery crop research and it is the only one of its kind in the nation. The center's mission is to provide leadership in strengthening and expanding the regional nursery industry through research in the areas of pathology, entomology, genetics, horticulture, and related sciences. The center is administered by Tennessee State University.

332.62 TSU McMinnville Center

Full-Time					
Administrative	3	3	3	0	3
Faculty	1	1	1	0	1
Clerical/Support	1	1	1	0	1
Total	5	5	5	0	5
FTE Enrollment	0	0	0	0	0
State					
State	456,300	441,900	439,500	0	439,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$456,300	\$441,900	\$439,500	\$0	\$439,500

Medical Education Units

To help meet the health needs of the citizens of eastern Tennessee, the East Tennessee State University (ETSU) Quillen College of Medicine provides medical study and training for students who wish to become physicians or other health-care professionals. Through family medicine residency programs, the college encourages its students to enter into family health practice in the rural communities of East Tennessee.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.65 ETSU College of Medicine					
Full-Time					
Administrative	86	82	82	0	82
Faculty	175	170	170	0	170
Clerical/Support	120	117	117	0	117
Total	381	369	369	0	369
FTE Enrollment	233	228	228	0	228
State	23,570,400	23,661,200	23,219,400	0	23,219,400
Federal	692,500	600,000	600,000	0	600,000
Other	8,490,600	9,476,500	9,476,500	0	9,476,500
Tuition/Fees	3,922,600	4,099,200	4,099,200	0	4,099,200
Total	\$36,676,100	\$37,836,900	\$37,395,100	\$0	\$37,395,100

332.67 ETSU Family Practice

Full-Time					
Administrative	23	23	23	0	23
Faculty	24	23	23	0	23
Clerical/Support	68	69	69	0	69
Total	115	115	115	0	115
FTE Enrollment	0	0	0	0	0
State	4,207,300	4,188,800	4,166,300	0	4,166,300
Federal	0	0	0	0	0
Other	6,486,400	7,035,100	7,035,100	0	7,035,100
Tuition/Fees	0	0	0	0	0
Total	\$10,693,700	\$11,223,900	\$11,201,400	\$0	\$11,201,400

Universities

The universities of the State University and Community College System offer undergraduate and graduate study to the citizens of Tennessee. Located throughout the state, the universities offer comprehensive programs in subjects as diverse as occupational training, the arts and sciences, law, and health sciences.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.70 Austin Peay State University					
Full-Time					
Administrative	149	150	150	0	150
Faculty	282	282	282	0	282
Clerical/Support	276	266	266	0	266
Total	707	698	698	0	698
FTE Enrollment	6,079	6,278	6,278	0	6,278
State	30,122,200	29,628,300	29,317,800	0	29,317,800
Federal	180,900	165,000	165,000	0	165,000
Other	5,286,600	5,399,900	5,399,900	0	5,399,900
Tuition/Fees	25,306,200	28,419,200	28,419,200	0	28,419,200
Total	\$60,895,900	\$63,612,400	\$63,301,900	\$0	\$63,301,900

332.72 East Tennessee State University

Full-Time					
Administrative	319	328	328	0	328
Faculty	499	507	507	0	507
Clerical/Support	530	492	492	0	492
Total	1,348	1,327	1,327	0	1,327
FTE Enrollment	9,431	9,707	9,707	0	9,707
State	52,240,000	51,661,000	51,147,600	0	51,147,600
Federal	491,100	330,000	330,000	0	330,000
Other	14,061,500	15,378,000	15,378,000	0	15,378,000
Tuition/Fees	42,269,900	48,595,200	48,595,200	0	48,595,200
Total	\$109,062,500	\$115,964,200	\$115,450,800	\$0	\$115,450,800

332.74 University of Memphis

Full-Time					
Administrative	607	617	617	0	617
Faculty	854	853	853	0	853
Clerical/Support	1,011	968	968	0	968
Total	2,472	2,438	2,438	0	2,438
FTE Enrollment	15,696	15,720	15,720	0	15,720
State	103,465,300	101,334,500	100,306,100	0	100,306,100
Federal	3,634,500	3,560,200	3,560,200	0	3,560,200
Other	40,527,600	41,814,200	41,814,200	0	41,814,200
Tuition/Fees	83,475,700	93,124,900	93,124,900	0	93,124,900
Total	\$231,103,100	\$239,833,800	\$238,805,400	\$0	\$238,805,400

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.75 Middle Tennessee State University					
Full-Time					
Administrative	410	426	426	0	426
Faculty	845	851	851	0	851
Clerical/Support	556	542	542	0	542
Total	1,811	1,819	1,819	0	1,819
FTE Enrollment	18,151	18,735	18,735	0	18,735
State	82,453,600	81,311,600	80,426,100	0	80,426,100
Federal	467,700	500,000	500,000	0	500,000
Other	31,813,200	33,760,300	33,760,300	0	33,760,300
Tuition/Fees	76,692,200	88,976,900	88,976,900	0	88,976,900
Total	\$191,426,700	\$204,548,800	\$203,663,300	\$0	\$203,663,300

332.77 Tennessee State University

Full-Time					
Administrative	284	300	300	0	300
Faculty	395	403	403	0	403
Clerical/Support	327	333	333	0	333
Total	1,006	1,036	1,036	0	1,036
FTE Enrollment	7,703	7,716	7,716	0	7,716
State	37,270,600	36,710,800	36,233,900	0	36,233,900
Federal	1,766,000	1,900,000	1,900,000	0	1,900,000
Other	16,201,500	16,594,200	16,594,200	0	16,594,200
Tuition/Fees	47,325,700	54,491,600	54,491,600	0	54,491,600
Total	\$102,563,800	\$109,696,600	\$109,219,700	\$0	\$109,219,700

332.78 Tennessee Technological University

Full-Time					
Administrative	213	210	210	0	210
Faculty	383	373	373	0	373
Clerical/Support	374	367	367	0	367
Total	970	950	950	0	950
FTE Enrollment	7,554	7,509	7,509	0	7,509
State	41,458,900	40,848,000	40,445,700	0	40,445,700
Federal	519,700	472,500	472,500	0	472,500
Other	13,838,400	12,711,500	12,711,500	0	12,711,500
Tuition/Fees	30,934,400	35,085,500	35,085,500	0	35,085,500
Total	\$86,751,400	\$89,117,500	\$88,715,200	\$0	\$88,715,200

Community Colleges and Technical Institutes

The state's community colleges provide two-year academic instruction in a wide variety of programs that can be transferred to four-year institutions. Technical institutes provide students with the necessary training to obtain jobs in various technical fields. The technical community colleges combine both of these opportunities on the same campus. The system includes four technical community colleges, and nine community colleges.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
332.53 Southwest Tennessee Community College					
Full-Time					
Administrative	177	179	179	0	179
Faculty	278	278	278	0	278
Clerical/Support	254	260	260	0	260
Total	709	717	717	0	717
FTE Enrollment	7,141	7,361	7,361	0	7,361
State					
State	34,985,200	34,340,600	34,045,200	0	34,045,200
Federal	0	0	0	0	0
Other	2,455,000	2,577,000	2,577,000	0	2,577,000
Tuition/Fees	19,384,100	22,610,900	22,610,900	0	22,610,900
Total	\$56,824,300	\$59,528,500	\$59,233,100	\$0	\$59,233,100

332.54 Nashville State Technical Community College

Full-Time					
Administrative	64	59	59	0	59
Faculty	141	140	140	0	140
Clerical/Support	118	114	114	0	114
Total	323	313	313	0	313
FTE Enrollment	3,757	3,769	3,769	0	3,769
State					
State	13,120,600	12,900,300	12,769,500	0	12,769,500
Federal	117,800	117,800	117,800	0	117,800
Other	806,600	936,300	936,300	0	936,300
Tuition/Fees	9,002,500	10,805,300	10,805,300	0	10,805,300
Total	\$23,047,500	\$24,759,700	\$24,628,900	\$0	\$24,628,900

332.55 Pellissippi State Technical Community College

Full-Time					
Administrative	99	95	95	0	95
Faculty	187	185	185	0	185
Clerical/Support	156	147	147	0	147
Total	442	427	427	0	427

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
FTE Enrollment	5,208	5,013	5,013	0	5,013
State	18,232,200	17,975,600	17,795,100	0	17,795,100
Federal	67,900	100,000	100,000	0	100,000
Other	860,300	774,400	774,400	0	774,400
Tuition/Fees	13,464,800	15,561,000	15,561,000	0	15,561,000
Total	\$32,625,200	\$34,411,000	\$34,230,500	\$0	\$34,230,500

332.56 Northeast State Technical Community College

Full-Time					
Administrative	52	56	56	0	56
Faculty	99	99	99	0	99
Clerical/Support	103	100	100	0	100
Total	254	255	255	0	255
FTE Enrollment	2,968	3,112	3,112	0	3,112
State	10,563,800	10,407,900	10,309,500	0	10,309,500
Federal	51,200	47,500	47,500	0	47,500
Other	562,400	404,000	404,000	0	404,000
Tuition/Fees	6,669,700	7,831,600	7,831,600	0	7,831,600
Total	\$17,847,100	\$18,691,000	\$18,592,600	\$0	\$18,592,600

332.80 Chattanooga State Technical Community College

Full-Time					
Administrative	127	127	127	0	127
Faculty	179	180	180	0	180
Clerical/Support	148	147	147	0	147
Total	454	454	454	0	454
FTE Enrollment	5,264	5,186	5,186	0	5,186
State	21,167,300	20,863,400	20,669,000	0	20,669,000
Federal	37,900	0	0	0	0
Other	1,568,300	1,169,000	1,169,000	0	1,169,000
Tuition/Fees	13,427,900	15,006,500	15,006,500	0	15,006,500
Total	\$36,201,400	\$37,038,900	\$36,844,500	\$0	\$36,844,500

332.81 Cleveland State Community College

Full-Time					
Administrative	44	45	45	0	45
Faculty	75	70	70	0	70
Clerical/Support	77	72	72	0	72
Total	196	187	187	0	187

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
FTE Enrollment	2,200	2,224	2,224	0	2,224
State	9,231,900	9,072,200	8,994,700	0	8,994,700
Federal	5,800	9,700	9,700	0	9,700
Other	319,900	268,100	268,100	0	268,100
Tuition/Fees	4,523,400	5,372,700	5,372,700	0	5,372,700
Total	\$14,081,000	\$14,722,700	\$14,645,200	\$0	\$14,645,200

332.82 Columbia State Community College

Full-Time					
Administrative	41	45	45	0	45
Faculty	104	104	104	0	104
Clerical/Support	95	94	94	0	94
Total	240	243	243	0	243
FTE Enrollment	3,108	3,082	3,082	0	3,082
State	11,423,300	11,234,400	11,132,500	0	11,132,500
Federal	185,300	10,000	10,000	0	10,000
Other	455,900	329,100	329,100	0	329,100
Tuition/Fees	6,940,600	7,699,500	7,699,500	0	7,699,500
Total	\$19,005,100	\$19,273,000	\$19,171,100	\$0	\$19,171,100

332.84 Dyersburg State Community College

Full-Time					
Administrative	35	37	37	0	37
Faculty	56	57	57	0	57
Clerical/Support	47	49	49	0	49
Total	138	143	143	0	143
FTE Enrollment	1,657	1,819	1,819	0	1,819
State	6,127,200	6,053,300	5,997,500	0	5,997,500
Federal	140,300	145,000	145,000	0	145,000
Other	245,700	247,200	247,200	0	247,200
Tuition/Fees	3,624,000	4,551,100	4,551,100	0	4,551,100
Total	\$10,137,200	\$10,996,600	\$10,940,800	\$0	\$10,940,800

332.86 Jackson State Community College

Full-Time					
Administrative	48	51	51	0	51
Faculty	111	113	113	0	113
Clerical/Support	98	96	96	0	96
Total	257	260	260	0	260

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
FTE Enrollment	2,713	2,743	2,743	0	2,743
State	10,803,400	10,648,900	10,549,100	0	10,549,100
Federal	144,900	178,100	178,100	0	178,100
Other	784,300	738,800	738,800	0	738,800
Tuition/Fees	6,243,500	7,058,700	7,058,700	0	7,058,700
Total	\$17,976,100	\$18,624,500	\$18,524,700	\$0	\$18,524,700

332.88 Motlow State Community College

Full-Time					
Administrative	47	47	47	0	47
Faculty	85	85	85	0	85
Clerical/Support	73	74	74	0	74
Total	205	206	206	0	206
FTE Enrollment	2,556	2,436	2,436	0	2,436
State	8,931,100	8,780,400	8,702,900	0	8,702,900
Federal	14,900	15,000	15,000	0	15,000
Other	311,300	256,800	256,800	0	256,800
Tuition/Fees	5,333,900	6,093,800	6,093,800	0	6,093,800
Total	\$14,591,200	\$15,146,000	\$15,068,500	\$0	\$15,068,500

332.90 Roane State Community College

Full-Time					
Administrative	65	64	64	0	64
Faculty	142	140	140	0	140
Clerical/Support	139	138	138	0	138
Total	346	342	342	0	342
FTE Enrollment	3,767	3,775	3,775	0	3,775
State	15,929,300	15,666,600	15,529,600	0	15,529,600
Federal	158,800	73,900	73,900	0	73,900
Other	803,400	819,500	819,500	0	819,500
Tuition/Fees	8,569,500	10,054,700	10,054,700	0	10,054,700
Total	\$25,461,000	\$26,614,700	\$26,477,700	\$0	\$26,477,700

332.94 Volunteer State Community College

Full-Time					
Administrative	82	81	81	0	81
Faculty	142	149	149	0	149
Clerical/Support	122	122	122	0	122
Total	346	352	352	0	352

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
FTE Enrollment	4,525	4,426	4,426	0	4,426
State	15,665,400	15,443,600	15,295,700	0	15,295,700
Federal	9,500	16,000	16,000	0	16,000
Other	801,400	603,000	603,000	0	603,000
Tuition/Fees	10,327,300	12,184,100	12,184,100	0	12,184,100
Total	\$26,803,600	\$28,246,700	\$28,098,800	\$0	\$28,098,800

332.96 Walters State Community College

Full-Time					
Administrative	74	71	71	0	71
Faculty	131	132	132	0	132
Clerical/Support	144	140	140	0	140
Total	349	343	343	0	343
FTE Enrollment	3,867	4,067	4,067	0	4,067
State	15,907,500	15,691,000	15,552,300	0	15,552,300
Federal	190,100	175,000	175,000	0	175,000
Other	3,589,300	3,064,100	3,064,100	0	3,064,100
Tuition/Fees	8,336,000	10,072,100	10,072,100	0	10,072,100
Total	\$28,022,900	\$29,002,200	\$28,863,500	\$0	\$28,863,500

Tennessee Technology Centers

The state's technology centers provide occupational training tailored to the specific needs of businesses and industries in the geographic regions they serve. Each school is associated with a two-year institution, allowing students greater flexibility in their educational choices. Students earn certificates for completion of incremental specialties within an occupational job title and diplomas for completion of occupational programs.

332.98 Tennessee Technology Centers

Full-Time					
Administrative	143	141	141	0	141
Faculty	507	485	485	0	485
Clerical/Support	165	157	157	0	157
Total	815	783	783	0	783
FTE Enrollment	10,241	10,331	10,331	0	10,331
State	42,576,100	41,819,800	41,519,200	0	41,519,200
Federal	232,000	202,900	202,900	0	202,900
Other	4,922,000	4,432,700	4,432,700	0	4,432,700
Tuition/Fees	11,059,600	11,959,700	11,959,700	0	11,959,700
Total	\$58,789,700	\$58,415,100	\$58,114,500	\$0	\$58,114,500

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Total State University and Community College System					
Full-Time					
Administrative	3,254	3,297	3,297	0	3,297
Faculty	5,695	5,680	5,680	0	5,680
Clerical/Support	5,024	4,883	4,883	0	4,883
Total	13,973	13,860	13,860	0	13,860
FTE Enrollment	123,819	125,237	125,237	0	125,237
State	613,712,400	604,445,900	598,304,200	0	598,304,200
Federal	9,108,800	8,618,600	8,618,600	0	8,618,600
Other	159,164,900	162,628,400	162,628,400	0	162,628,400
Tuition/Fees	436,833,500	499,654,200	499,654,200	0	499,654,200
Total	\$1,218,819,600	\$1,275,347,100	\$1,269,205,400	\$0	\$1,269,205,400

Grand Total Higher Education

Full-Time					
Administrative	5,533	5,601	5,601	0	5,601
Faculty	8,591	8,503	8,503	0	8,503
Clerical/Support	8,842	8,609	8,609	0	8,609
Part-Time	1	1	1	0	1
Total	22,967	22,714	22,714	0	22,714
FTE Enrollment	161,378	162,378	162,378	0	162,378
State	1,103,691,500	1,089,738,700	1,079,479,600	0	1,079,479,600
Federal	133,893,500	141,474,800	161,485,300	0	161,485,300
Other	398,045,500	406,865,300	407,256,800	0	407,256,800
Tuition/Fees	664,415,500	744,720,000	744,720,000	0	744,720,000
Total	\$2,300,046,000	\$2,382,798,800	\$2,392,941,700	\$0	\$2,392,941,700

Education

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
331.00 Education (K-12)			
331.01 Administration			
Performance Information			
Standard: Reduce transaction time for teacher licenses.			
Measure: Teacher license transaction time in weeks.	8	6	4
331.02 Grants-In-Aid			
Performance Information			
Standard: Maintain the current level of service and students served through the Science Alliance Consortium.			
Measure: Number of children participating in Science Alliance Programs.	26,000	26,000	26,000
331.03 ESEA No Child Left Behind			
Performance Information			
Standard: All students in public schools will attain proficiency level in reading/language arts and mathematics.			
Measure: The percentage of students at or above the proficient level in reading/language arts and mathematics.	60	70	75
Standard: By 2005-2006, all students will be taught by highly qualified teachers.			
Measure: Reduction in the number of waivers granted to teachers teaching outside their areas of endorsement.	1,626	1,200	800
331.04 Technology, Infrastructure, and Support Systems			
Performance Information			
Standard: Local education agencies will provide student and staff data within 10 days of due date for each of the 20-day reporting periods as well as the year-end report with 95% accuracy.			
Measure: Accuracy percentage with which timely local education agency reports are submitted.	75%	85%	95%
331.05 Training and Professional Development			
Performance Information			
Standard: Provide training opportunities to assist school administrators as they comply with the training requirements established by Tennessee Code Annotated 49-5-5703 (72 hours of training within a 5 year period).			
Measure: Hours of approved training accrued for administrators in 2003-2007 cohort.	24,422	28,000	30,000
Standard: Provide training opportunities to assist local school board members as they comply with the training requirements established in Tennessee Code Annotated 49-2-202(a)(5).			
Measure: Number of local school board members satisfying training requirements.	921	947	947

Education

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Provide training opportunities for local directors of schools and state special schools in concert with State Board of Education policy.			
Measure: Number of directors of schools and state special schools participating in training as established by state board policy. * Decrease as a result of consolidation.	143	*141	*141

331.06 Curriculum and Instruction

Performance Information

Standard: To maintain yearly progress (in grade levels) in reading as exhibited by TCAP.			
Measure: Percentage of students below grade level in reading that achieve a 1.0 grade level increase.	50%	60%	60%

331.07 State Board of Education

Performance Information

Standard: Revise the Master Plan for Tennessee Schools on a yearly basis.			
Measure: Revision of Master Plan for Tennessee Schools.	Ongoing	Ongoing	Ongoing

331.09 Improving School Programs

Performance Information

Standard: Reduce the number of schools scoring at 75% or above on the Unsafe School Choice criteria.			
Measure: The number of schools scoring above 75% on the Unsafe School Choice criteria.	21	19	15
Standard: Reduce the number of students disciplined for illicit drug violations.			
Measure: The number of students disciplined for illicit drug violations.	1,773	1,686	1,650

Program Information

Objective: Increase school readiness.			
Quantity or Quality: The number of third grade students scoring proficient that had a state pilot preschool experience.	510	510	2,171

331.10 Career Ladder

Performance Information

Standard: All career ladder educators will receive their supplements as prescribed by law.			
Measure: Percentage of eligible career ladder educators receiving supplements.	100%	100%	100%

331.11 Accountability

Performance Information

Standard: Increase the number of high priority schools placed in good standing as a result of improving student achievement.			
Measure: Percentage of high priority schools placed in good standing.	17%	20%	22%

Education

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
331.25 BEP and Other LEA Support			
Performance Information			
Standard: Ensure small class sizes for the best possible learning environment.			
Measure: Number of local education agencies with 100% compliance on class size requirements.			
* Decrease as a result of consolidation.			
	138	136*	136*
Program Information			
Objective: Increase schools meeting the SBE K-6 attendance rate (95%).			
Quantity or Quality: Percentage meeting goal.	67.2%	70.0%	75.0%
Objective: Increase students scoring proficient or above on fourth grade writing assessment.			
Quantity or Quality: Percentage scoring proficient or above.	73.3%	74.0%	75.0%
Objective: Increase students scoring proficient or above in achievement in fifth grade math.			
Quantity or Quality: Percentage scoring proficient or above in math.	80.0%	81.0%	82.0%
Objective: Increase students scoring proficient or above in achievement in eighth grade reading.			
Quantity or Quality: Percentage scoring proficient or above in reading.	80.0%	81.0%	82.0%
Objective: Increase student promotion rate.			
Quantity or Quality: Promotion rate.	96.9%	97.0%	97.0%
Objective: Reduce student drop out rate.			
Quantity or Quality: Drop out rate.	11.3%	11.0%	11.0%
Objective: Increase schools meeting the SBE 7-12 attendance rate (95%).			
Quantity or Quality: Percentage meeting goal.	78.9%	80.0%	85.0%
Objective: Increase students scoring proficient or above in achievement in eighth grade math.			
Quantity or Quality: Percentage scoring proficient or above.	79.0%	80.0%	81.0%
Objective: Increase students scoring proficient or above on 11th grade writing assessment.			
Quantity or Quality: Percentage scoring proficient or above.	71.9%	72.0%	73.0%
Objective: Increase students scoring proficient or above on seventh grade writing assessment.			
Quantity or Quality: Percentage scoring proficient or above.	83.0%	83.5%	84.0%
Objective: Increase average ACT scores.			
Quantity or Quality: Statewide ACT average.	20.1	21.0	22.0
Objective: Increase students scoring proficient or above in achievement in fifth grade reading.			
Quantity or Quality: Percentage scoring proficient or above in reading.	79%	80.0%	81.0%

Education

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Increase the percentage of low performing schools making adequate yearly progress.			
Quantity or Quality: Percentage of schools identified as low performing making adequate yearly progress.	Not Available	56%	65%

331.35 School Nutrition Programs

Performance Information

Standard: Schools visited and monitored will successfully meet national nutritional standards.			
Measure: Percentage of schools meeting national nutritional standards.	94.5%	95.0%	96.0%
Standard: Tennessee public schools will be on the National School Lunch Program.			
Measure: Percentage of schools participating in National School Lunch Program.	85%	95%	99%
Standard: Tennessee public schools will be on the School Breakfast Program.			
Measure: Percentage of schools participating in the School Breakfast Program.	25%	30%	35%

331.36 Special Education Services

Performance Information

Standard: Increase the percentage of children with disabilities testing at the proficient level in reading in grades three through eight.			
Measure: Percentage of students scoring at or above proficient in reading.	21%	23%	25%
Standard: Increase the percentage of children with disabilities testing at the proficient level in language arts in grades three through eight.			
Measure: Percentage of students scoring at or above proficient in language arts.	12%	15%	17%
Standard: Increase the percentage of children with disabilities testing at the proficient level in mathematics in grades three through eight.			
Measure: Percentage of students scoring at or above proficient in mathematics.	13%	15%	17%

331.43 Driver Education

Performance Information

Standard: Provide local education agencies with supplemental funding for driver education programs based on the number of students served each semester (fall and spring).			
Measure: Number of students served in driver education programs.	25,548	25,800	26,000

331.45 Vocational Education Programs

Performance Information

Standard: Meet or exceed baseline levels of performance on the core indicators required by the federal Carl D. Perkins Vocational and Technical Education Act of 1998.			
Measure: Percentage of academic attainment of 12th grade vocational concentrators graduating from high school.	84%	85%	86%

Education

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Meet or exceed baseline levels of performance on the core indicators required by the federal Carl D. Perkins Vocational and Technical Education Act of 1998.			
Measure: Percentage of 12th grade vocational concentrators meeting industry validated skill standards.	93%	93%	94%
Standard: Meet or exceed baseline levels of performance on the core indicators required by the federal Carl D. Perkins Vocational and Technical Education Act of 1998.			
Measure: Percentage of graduates placed in post-secondary education, advanced training, employment, and/or military service within one year of graduation.	79%	80%	83%
331.90 Alvin C. York Institute			
Performance Information			
Standard: Increase the percentage of students scoring advanced level on the state administered Gateway mathematics and science examinations.			
Measure: Percentage of students with an advanced score on the mathematics Gateway examination.	90%	93%	93%
Standard: Increase the percentage of students scoring advanced level on the state administered Gateway mathematics and science examinations.			
Measure: Percentage of students with an advanced score on the science Gateway examination.	66%	70%	70%
331.91 Tennessee School for the Blind			
Performance Information			
Standard: Increase the percentage of students scoring proficient or better on the Gateway examinations.			
Measure: Percentage of students scoring proficient or better on the Gateway mathematics exam.	44%	45%	45%
Standard: Increase the percentage of students scoring proficient or better on the Gateway examinations.			
Measure: Percentage of students scoring proficient or better on the Gateway language arts exam.	80%	82%	82%
Standard: Increase the percentage of students scoring proficient or better on the Gateway examinations.			
Measure: Percentage of students scoring proficient or better on the Gateway science exam.	100%	100%	100%
331.92 Tennessee School for the Deaf			
Performance Information			
Standard: Increase the percentage of students scoring at or above the national average on the Stanford Achievement Test Hearing-Impaired Version (SAT-HIV).			
Measure: Percent of students scoring at or above the SAT-HIV national average.	45%	50%	50%
Standard: Increase the percentage of graduates earning a regular high school diploma.			
Measure: Percent of graduates earning a regular high school diploma.	40%	45%	50%

Education

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
331.93 West Tennessee School for the Deaf			
Performance Information			
Standard: Increase the percentage of students scoring at or above the national average on the Stanford Achievement Test Hearing-Impaired Version (SAT-HIV).			
Measure: Percentage of students scoring at or above the SAT-HIV national average.	60%	65%	65%
331.95 Tennessee Infant-Parent Services School			
Performance Information			
Standard: Make hearing screening procedures available to all Tennessee newborns.			
Measure: Number of newborns receiving hearing screenings.	3,351	3,500	3,500
331.97 Major Maintenance			
Performance Information			
Standard: Expend 70% of allocated funds on planned, regularly scheduled maintenance projects.			
Measure: Percentage of major maintenance funds expended on planned maintenance projects.	70%	70%	70%
332.00 Higher Education - State Administered Programs			
332.01 Tennessee Higher Education Commission			
Performance Information			
Standard: Recommend operating, capital outlay, and capital maintenance appropriations for colleges, universities, technology centers, and non-formula higher education entities to the Governor within five working days of THEC's November meeting.			
Measure: Business days after THEC's November meeting recommendations are made.	1	5	5
Standard: Recommend proposed tuition and fee levels to the state's university systems prior to either system's June Board meeting where fees are set.			
Measure: Days prior to June Board meeting recommendations are made.	7 (UT) 16 (TBR)	5	5
Standard: Publish the Condition of Higher Education in Tennessee report annually.			
Measure: Days after February 15 report sent to the Legislature.	6	0	0
Standard: Collect the student enrollment data from the two governing boards to support recommendations for higher education funding, enrollment analysis, and THEC's responsibilities associated with the lottery scholarship assessment initiative.			
Measure: Days after November 1 report is issued.	+14	0	0
Program Information			
Objective: To maintain an eligible training provider list of 200 schools.			
Quantity or Quality: Number of eligible training providers.	161	180	200

Education

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: To identify, approve, and supervise 280 schools and businesses that offer eligible veterans training courses.			
Quantity or Quality: Number of approved schools and businesses.	255	270	280
Objective: To monitor, evaluate, and approve/authorize 240 proprietary and not-for-profit institutions.			
Quantity or Quality: Number of approved/authorized proprietary and not-for-profit institutions.	216	230	240
Objective: To maintain 3,132 eligible training programs.			
Quantity or Quality: Number of eligible training programs.	2,932	3,032	3,132
Objective: To monitor, evaluate, and authorize 1,700 educational programs within propriety and not-for-profit institutions.			
Quantity or Quality: Number of authorized educational programs.	1,498	1,600	1,700
Objective: To evaluate and approve 5,000 educational programs, within the approved schools and businesses.			
Quantity or Quality: Number of approved programs.	4,700	4,800	5,000
Objective: To make supervisory visits to at least 80% of the schools each year.			
Quantity or Quality: Percent of schools visited each year.	80%	80%	80%
Objective: To issue a projected 600 transcripts to students from institutions that have closed.			
Quantity or Quality: Number of transcripts issued.	504	550	600
Objective: To provide technical assistance to 1,500 schools, businesses, veterans, and other eligible persons.			
Quantity or Quality: Number of schools, businesses, veterans, and other eligible persons that are provided technical assistance.	1,000	1,200	1,500

332.02 Contract Education

Performance Information

Standard: Increase or maintain the number of students in specialized education programs			
Measure: The number of students in specialized education programs.	162	148	147
Standard: Increase or maintain the percentage of students who are participants in the Minority Teacher Education Program.			
Measure: The percentage of graduating students who have participated in the Minority Teacher Education Program entering the teaching profession in Tennessee.	85%	90%	90%

332.03 Tennessee Student Assistance Awards

Performance Information

Standard: Provide student awards.			
Measure: Number of students assisted with awards.	28,747	26,160	29,811

Education

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Provide student awards.			
Measure: Average amount of awards.	\$1,736	\$1,600	\$1,850
332.04 Federal Family Education Loan Program (FFELP)			
Performance Information			
Standard: Cohort default rate.			
Measure: Percentage of Stafford & Supplemental Loans to Students (SLS) borrowers who default before the end of the fiscal year following the fiscal year in which they entered repayment.	6.8%	6.7%	6.6%
Standard: Trigger rate.			
Measure: The total reinsurance claims paid by the U.S. Dept. of Education to a guaranty agency during any fiscal year.	2.59%	2.55%	2.50%
Standard: Loan volume.			
Measure: The total amount of FFELP guaranteed in a fiscal year.	1,465,145,187	1,561,644,915	1,265,000,000
Standard: Federal reserve ratio.			
Measure: The ratio of federal funds on balance and the original outstanding principal. The minimum required ratio is .25%.	.87%	.68%	.51%
332.06 Academic Scholars Program			
Performance Information			
Standard: Student awards.			
Measure: Number of students awarded.	197	171	199
332.07 Loan/Scholarship Programs			
Performance Information			
Standard: Student awards.			
Measure: Number of students awarded.	201	199	214
332.08 Centers of Excellence			
Performance Information			
Standard: Distribute funds provided for the Centers of Excellence.			
Measure: Days after the beginning of the quarter Centers of Excellence funds distributed.	23	30	30
332.09 THEC Grants			
Performance Information			
Standard: Distribute available tuition discount and fee waiver funds annually.			
Measure: Days after June 30 fee waiver information collected and funds distributed.	15	0	0

Education

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Execute the Improving Teacher Quality Grant contracts with colleges and universities to conduct workshops for teachers and principals.			
Measure: Teachers and principals trained through the Improving Teacher Quality Grants.	750	750	750

Program Information

Objective: Award a total of 9 outstanding community service awards for faculty and students.			
Quantity or Quality: Number of awards.	10	9	9

332.11 Campus Centers of Emphasis

Performance Information

Standard: Distribute funds provided for the Centers of Emphasis.			
Measure: Days after the beginning of the quarter Centers of Emphasis funds distributed.	23	30	30

332.13 Geier Desegregation Settlement

Performance Information

Standard: Distribute funds provided for the Geier desegregation consent decree and maintain records for disbursements and expenditures.			
Measure: Days after the beginning of the quarter, or after approval of budget revisions by the Department of Finance and Administration, that Geier funds are distributed.	Budget Approval +7	30	30

Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2004– 2005

The agencies and departments of this functional group are concerned with the health and well-being of the citizens of Tennessee. The Health and Social Services functional area is comprised of the following commissions, departments, and agencies:

- Commission on Children and Youth
- Commission on Aging and Disability
- Health Services and Development Agency
- Council of Juvenile and Family Court Judges
- Department of Finance and Administration – TennCare Program
- Department of Mental Health and Developmental Disabilities
- Department of Finance and Administration – Mental Retardation Division
- Department of Health
- Department of Human Services
- Department of Children's Services.

A major responsibility of this functional group is the administration of programs for children that have been placed in the state's custody. These programs range from the provision of a structured environment for troubled youth to a safe home setting for foster care children. Services for children in state care are based on professional assessments of each child.

This functional group is also charged with ensuring quality treatment and habilitation services for the mentally ill and mentally retarded citizens of Tennessee. This includes institutional and community programs for the mentally ill and the developmentally disabled.

In addition to programs for special-needs citizens, general health care services are provided through local and regional health care facilities. These programs range from immunization of school children to ensuring quality care for the elderly.

Health care programs for the Medicaid eligible, certain uninsured, and medically eligible populations are also the responsibility of this functional group. These services are provided by TennCare, a comprehensive health care delivery system. The TennCare Partners program provides mental health and substance abuse services for TennCare enrollees.

These agencies are also charged with helping disadvantaged Tennesseans achieve or maintain self-sufficiency. Other assistance programs include food coupons to qualified applicants, protective services to abused and neglected children, and legal services to establish, enforce, and administer child support obligations for citizens.

Families First, a time-limited assistance program, emphasizes job skills development. Support services, such as child care and transportation, also are provided to Families First recipients. This is a temporary assistance program with lifetime eligibility limitations. Families First operates under a unique waiver approved under the federal Temporary Assistance for Needy Families program.

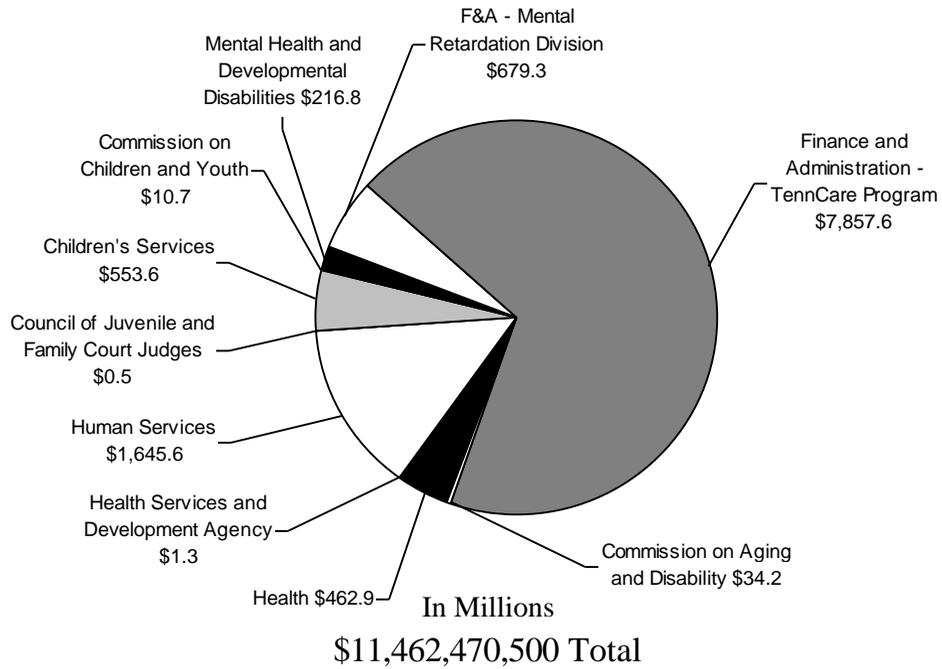
Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

Health and Social Services FY 2004 - 2005 Recommended



Health and Social Services Total Personnel and Funding

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
Personnel			
Full Time	18,653	19,178	19,652
Part Time	208	265	261
Seasonal	0	0	0
TOTAL	18,861	19,443	19,913
Expenditures			
Payroll	\$712,643,200	\$798,799,700	\$807,506,700
Operational	9,482,627,200	9,984,083,900	10,654,963,800
TOTAL	\$10,195,270,400	\$10,782,883,600	\$11,462,470,500
Funding			
State	\$2,771,142,400	\$3,012,164,700	\$3,274,933,400
Federal	6,142,524,900	6,313,517,800	6,649,982,500
Other	1,281,603,100	1,457,201,100	1,537,554,600

Health and Social Services Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Finance and Administration - TennCare Program					
• Enrollment Growth					
To provide funding for enrollment growth in the TennCare program.					
318.66 TennCare Services	\$91,164,000	\$159,320,000	\$17,563,200	\$268,047,200	0
Sub-total	\$91,164,000	\$159,320,000	\$17,563,200	\$268,047,200	0
• Medical Inflation					
To provide funding for medical inflation. This includes 9.8% medical utilization trend inflation, 5% behavioral health inflation, 5% dental inflation, 28% MCO pharmacy inflation, 24.1% pharmacy inflation for citizens dually eligible for Medicaid and Medicare, and 22% behavioral pharmacy inflation.					
318.66 TennCare Services	\$209,547,600	\$380,131,300	\$84,252,900	\$673,931,800	0
Sub-total	\$209,547,600	\$380,131,300	\$84,252,900	\$673,931,800	0
• Children's Services					
To fund the TennCare share of improvements in the Department of Children's Services.					
318.65 TennCare Administration	\$11,500	\$11,500	\$0	\$23,000	0
318.66 TennCare Services	\$98,100	\$179,900	\$0	\$278,000	0
Sub-total	\$109,600	\$191,400	\$0	\$301,000	0
• Elderly and Disabled Services					
To provide funding for nursing home facilities, increased Medicaid cost sharing, and Long Term Care alternatives.					
318.67 Waiver and Crossover Services	\$11,473,200	\$21,035,900	\$0	\$32,509,100	0
318.68 Long Term Care Services	\$19,699,800	\$36,119,000	\$0	\$55,818,800	0
Sub-total	\$31,173,000	\$57,154,900	\$0	\$88,327,900	0
• Mental Retardation Services					
To provide funding for public and private mental retardation services.					
318.67 Waiver and Crossover Services	\$12,807,800	\$21,734,800	\$0	\$34,542,600	0
318.68 Long Term Care Services	\$3,896,600	\$7,144,200	\$0	\$11,040,800	0
Sub-total	\$16,704,400	\$28,879,000	\$0	\$45,583,400	0

Health and Social Services Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration					
To provide funding for 62 additional positions to manage the TennCare program. Positions include 21 to ensure compliance with consent decree requirements, 16 positions for information systems, 10 positions to maximize third party liability collections, 4 positions to manage long-term care services to the elderly, 3 positions in the Office of General Council to assist in program integrity efforts, and 8 positions for the administration of the TennCare program. The 8 administrative positions are in the areas of internal audit, administrative hearings, personnel, program integrity support, managed care analytics, and managed care administration.					
318.65 TennCare Administration	\$1,297,800	\$1,875,200	\$0	\$3,173,000	62
Sub-total	\$1,297,800	\$1,875,200	\$0	\$3,173,000	62
• TennCare Appeals					
To provide funding to establish a TennCare Appeals unit in the Department of Human Services. This will streamline the appeals process by consolidating in one state agency the appeals and eligibility determination processes for the TennCare program.					
318.65 TennCare Administration	\$1,775,900	\$1,775,900	\$0	\$3,551,800	0
Sub-total	\$1,775,900	\$1,775,900	\$0	\$3,551,800	0
• Fraud and Abuse Investigations					
To provide funding for fraud and abuse investigations in the TennCare program. A portion of these funds will be provided to fund assistance in this effort from the Davidson County District Attorney General's office. The intent of this initiative is to ensure that the TennCare program pays for eligible services to eligible persons.					
318.65 TennCare Administration	\$1,000,000	\$3,000,000	\$0	\$4,000,000	0
Sub-total	\$1,000,000	\$3,000,000	\$0	\$4,000,000	0
Total Finance and Administration - TennCare Program	\$352,772,300	\$632,327,700	\$101,816,100	\$1,086,916,100	62

Mental Health and Developmental Disabilities

• Hospital Information System					
To provide funds to upgrade the Behavioral Hospital Information System (BHIS) that is used in each of the regional mental health institutes. This improvement includes funding for software, equipment, implementation, and annual maintenance costs associated with the move to a new system centrally managed by the department.					
339.01 Administrative Services Division	\$912,000	\$0	\$0	\$912,000	1
Sub-total	\$912,000	\$0	\$0	\$912,000	1
Total Mental Health and Developmental Disabilities	\$912,000	\$0	\$0	\$912,000	1

Health and Social Services Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
F&A - Mental Retardation Division					
• Blueprint					
To provide funding and personnel to improve the service delivery system for persons with mental retardation in Tennessee. The requirements to implement this blueprint include: restructuring the central office, assessing individuals on the waiting list, continuing initiatives funded in the current-year budget, and establishing regional resource coordinators.					
339.21 Mental Retardation Administration	\$157,500	\$0	\$1,285,100	\$1,442,600	18
339.23 Community Mental Retardation Services	\$6,130,000	\$0	\$187,500	\$6,317,500	0
339.25 West Tennessee Region	\$156,900	\$0	\$366,300	\$523,200	11
339.26 Middle Tennessee Region	\$157,000	\$0	\$366,200	\$523,200	11
339.27 East Tennessee Region	\$157,000	\$0	\$366,300	\$523,300	11
Sub-total	\$6,758,400	\$0	\$2,571,400	\$9,329,800	51
• Brown Lawsuit Settlement					
To provide funding and personnel needed to comply with the Brown lawsuit settlement, which requires: implementation of a new self-determination waiver which would serve 600 individuals, increasing the home and community services waiver by 200 people, developing a program for consumer-directed support, and implementing a targeted case management (TCM) program.					
339.23 Community Mental Retardation Services	\$5,000,000	\$0	\$30,160,000	\$35,160,000	0
339.25 West Tennessee Region	\$260,100	\$0	\$607,000	\$867,100	22
339.26 Middle Tennessee Region	\$220,000	\$0	\$513,300	\$733,300	19
339.27 East Tennessee Region	\$296,100	\$0	\$690,900	\$987,000	26
Sub-total	\$5,776,200	\$0	\$31,971,200	\$37,747,400	67
• Community Services					
To provide funds for the Community Services Network, which provides supplemental services to Arlington lawsuit class members. This improvement also provides funding to offset the loss of federal funds resulting from the community services waiver moratorium. This is a non-recurring appropriation which replaces federal funds that currently cannot be collected.					
339.23 Community Mental Retardation Services	\$11,428,700	\$0	\$0	\$11,428,700	0
Sub-total	\$11,428,700	\$0	\$0	\$11,428,700	0
Total F&A - Mental Retardation Division	\$23,963,300	\$0	\$34,542,600	\$58,505,900	118

Health and Social Services Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Health					
• HIV/AIDS Care					
To provide additional funding for medical care for HIV/AIDS patients through the federal Ryan White program. The program provides medications to HIV/AIDS patients who are uninsured and below 300% of the federal poverty level, but are ineligible for the TennCare program. The funds will be used to address an increasing caseload.					
343.49 Communicable and Environmental Disease Services	\$1,000,000	\$2,000,000	\$0	\$3,000,000	0
Sub-total	\$1,000,000	\$2,000,000	\$0	\$3,000,000	0
• Alcohol and Drug Addiction Treatment					
To provide funding for treatment services for DUI offenders. Legislation enacted in 2003 allowed more treatment alternatives in addition to ignition interlock devices. As a result, the program has grown from 16 to 37 treatment providers and has expanded to a full continuum of care. The funds are from dedicated revenues from the proceeds of the sale of DUI seized vehicles, mandatory fines collected from DUI offenders, and fees from the issuance of temporary operating permits and license plates.					
343.44 Alcohol and Drug Abuse Services	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Tobacco Control					
To provide additional funds necessary to match the existing level of federal funds in the program. The state-to-federal match rate will change effective July 1, 2004, from 1:10 to 1:4. Failure to meet the new match requirement will result in the loss of \$810,400 in federal funds currently budgeted.					
343.52 Population-Based Services	\$202,600	\$0	\$0	\$202,600	0
Sub-total	\$202,600	\$0	\$0	\$202,600	0
• Health Licensing					
To provide funding for a dental exam coordinator for the Board of Dentistry, an administrative assistant for the Tennessee Massage Licensure Board, a licensing technician for the Committees of Occupational and Physical Therapy, and one attorney each for the Board of Medical Examiners and Board of Dentistry. The positions and associated costs are needed to address an increased caseload in the programs. The funding is an appropriation from dedicated fees collected from the regulated professions and occupations.					
343.10 Health Related Boards	\$228,200	\$0	\$0	\$228,200	5
Sub-total	\$228,200	\$0	\$0	\$228,200	5
Total Health	\$3,430,800	\$2,000,000	\$0	\$5,430,800	5

Health and Social Services Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Human Services					
• Families First Monthly Benefits					
To provide funding for cash assistance grants to Families First recipients. The federal block grant is not sufficient to cover the increased caseload, which has grown because of economic conditions.					
345.23 Temporary Cash Assistance	\$33,382,700	\$0	\$0	\$33,382,700	0
Sub-total	\$33,382,700	\$0	\$0	\$33,382,700	0
• Families First Child Care					
To provide additional funding to child care certificate program to address the increased caseload, which has grown because of economic conditions.					
345.49 Community Services	\$33,209,000	\$0	\$0	\$33,209,000	0
Sub-total	\$33,209,000	\$0	\$0	\$33,209,000	0
• Families First Differential Grants					
To provide funding for Families First differential grants for child only and elderly and disabled cases. The differential grants are included in the base reductions for fiscal year 2004-2005. This improvement funds the grants with non-recurring funds in fiscal year 2004-2005.					
345.23 Temporary Cash Assistance	\$10,500,000	\$0	\$0	\$10,500,000	0
Sub-total	\$10,500,000	\$0	\$0	\$10,500,000	0
• Food Stamp Program					
To fund the additional electronic transactions associated with growth in the number of Food Stamp beneficiaries. The payment made to the vendor who assigns food stamp funds onto electronic benefit transfer (EBT) cards is based on a fee per transaction.					
345.30 Family Assistance Services	\$1,500,000	\$1,500,000	\$0	\$3,000,000	0
Sub-total	\$1,500,000	\$1,500,000	\$0	\$3,000,000	0
• Child Support - Assistant DAs Step Raises					
To provide funding for the mandated salary increase required by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$12,900	\$25,100	\$0	\$38,000	0
Sub-total	\$12,900	\$25,100	\$0	\$38,000	0
Total Human Services	\$78,604,600	\$1,525,100	\$0	\$80,129,700	0

Health and Social Services Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Children's Services					
• Child Advocacy Centers					
To provide additional funds for 13 Child Advocacy Centers; this is in addition to the 11 centers that currently receive state grants. The Child Advocacy Centers are community organized and supported centers, which help to coordinate the efforts of child welfare staff, local law enforcement, and district attorneys in the investigation and prosecution of child abuse cases.					
359.20 Family Support Services	\$650,000	\$0	\$0	\$650,000	0
Sub-total	\$650,000	\$0	\$0	\$650,000	0
• Brian A. Settlement					
To provide funds to address Brian A. lawsuit settlement issues. This includes funds for the increase in adoption assistance caseload, to increase rates to foster parents, to increase rates to adoptive parents, and to address the disparity in adoption assistance rates. This improvement also provides funding and positions to improve data management, staff training, and legal services. Also included are six positions for the timely investigation of Child Protective Services referrals related to children in state custody. These funds will also improve foster home management and capacity.					
359.10 Administration	\$251,300	\$18,900	\$144,300	\$414,500	8
359.30 Custody Services	\$349,000	\$168,800	\$0	\$517,800	0
359.40 Adoption Services	\$2,147,100	\$2,482,900	\$0	\$4,630,000	0
359.50 Child and Family Management	\$657,900	\$17,100	\$156,700	\$831,700	15
Sub-total	\$3,405,300	\$2,687,700	\$301,000	\$6,394,000	23
• Teacher Training and Experience					
To fund growth in teacher training and experience.					
359.60 John S. Wilder Youth Development Center	\$14,500	\$0	\$0	\$14,500	0
359.61 Taft Youth Development Center	\$4,300	\$0	\$0	\$4,300	0
359.62 Woodland Hills Youth Development Center	\$13,700	\$0	\$0	\$13,700	0
359.63 Mountain View Youth Development Center	\$16,200	\$0	\$0	\$16,200	0
359.65 Community Treatment Facilities	\$4,700	\$0	\$0	\$4,700	0
Sub-total	\$53,400	\$0	\$0	\$53,400	0
• Secure Female Facility					
To annualize funding for the new secure female facility on the Woodland Hills Developmental Center campus. Initial start-up costs were funded in the current year budget; this improvement annualizes funding.					
359.64 Secure Female Facility	\$1,024,900	\$0	\$58,400	\$1,083,300	0
Sub-total	\$1,024,900	\$0	\$58,400	\$1,083,300	0
Total Children's Services	\$5,133,600	\$2,687,700	\$359,400	\$8,180,700	23

**Health and Social Services
Improvements for Fiscal Year 2004-2005**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total Health and Social Services	\$464,816,600	\$638,540,500	\$136,718,100	\$1,240,075,200	209

Commission on Children and Youth

The Commission on Children and Youth works with state agencies, juvenile courts, child advocacy groups, interested citizens, and other organizations to improve services to children. The commission also administers the federal Juvenile Justice and Delinquency Prevention Act, the Juvenile Accountability Block Grant and other federal and state grant funds for juvenile justice programs. The commission members, central office staff, and district coordinators are engaged in the following activities:

- Improving the coordination of services for children
- Collecting and disseminating statistical and programmatic information
- Informing citizens and organizations of children's issues
- Tracking legislation and making recommendations to the Governor and Legislature
- Evaluating the delivery of services to children in state custody and their families through the Children's Program Outcome Review Team (CPORT).

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.01 Commission on Children and Youth					
Full-Time	55	53	53	0	53
Part-Time	5	2	2	0	2
Seasonal	0	0	0	0	0
Total	60	55	55	0	55
Payroll	2,173,100	2,414,200	2,419,400	0	2,419,400
Operational	7,957,300	8,359,400	8,273,100	0	8,273,100
Total	\$10,130,400	\$10,773,600	\$10,692,500	\$0	\$10,692,500
State	1,559,600	1,575,400	1,496,500	0	1,496,500
Federal	6,103,200	6,901,000	6,899,400	0	6,899,400
Other	2,467,600	2,297,200	2,296,600	0	2,296,600

Commission on Aging and Disability

The Commission on Aging and Disability is responsible for networking aging Tennesseans and adults with disabilities needing in-home services with state, federal, and local programs. The commission performs the following activities:

- Administers the Older Americans Act of Tennessee
- Administers a Long Term Care Services Plan for the elderly and disabled
- Collects facts and statistics on the elderly, family caregivers, and adults with disabilities needing in-home services
- Publishes information on aging and adults with disabilities
- Makes recommendations on program improvements
- Assists in developing needed services.

	<u>Actual</u> <u>2002-2003</u>	<u>Estimated</u> <u>2003-2004</u>	<u>Base</u> <u>2004-2005</u>	<u>Improvement</u> <u>2004-2005</u>	<u>Recommended</u> <u>2004-2005</u>
316.02 Commission on Aging and Disability					
Full-Time	29	29	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	29	28	0	28
Payroll	1,110,400	1,498,300	1,435,300	0	1,435,300
Operational	29,982,900	33,112,500	32,740,200	0	32,740,200
Total	\$31,093,300	\$34,610,800	\$34,175,500	\$0	\$34,175,500
State	9,265,100	8,697,400	8,462,300	0	8,462,300
Federal	21,211,000	23,808,400	23,608,200	0	23,608,200
Other	617,200	2,105,000	2,105,000	0	2,105,000

Health Services and Development Agency

The Health Services and Development Agency is responsible for regulating the health-care industry through the Certificate of Need program. The agency requires certification of need for the establishment or modification of health-care facilities and the reporting of financial and statistical data from these facilities. The agency also administers the State Health Planning and Advisory Board. This board is responsible for developing a state health plan, which guides the development of health care programs and policies, and the allocation of health care resources.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.07 Health Services and Development Agency					
Full-Time	15	15	15	0	15
Part-Time	6	6	6	0	6
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	453,800	833,800	833,800	0	833,800
Operational	270,500	461,600	461,300	0	461,300
Total	\$724,300	\$1,295,400	\$1,295,100	\$0	\$1,295,100
State	707,600	1,283,000	1,278,700	0	1,278,700
Federal	0	0	0	0	0
Other	16,700	12,400	16,400	0	16,400

Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides staff services to two statewide organizations: the Tennessee Council of Juvenile and Family Court Judges and the Tennessee Juvenile Court Services Association. The council's activities include:

- Representing the views of the state's juvenile courts
- Providing assistance to juvenile courts concerning the impact of state and federal laws, regulations, and policies affecting children and families
- Keeping judges and court staff informed of legal issues and services available to children and families
- Developing criteria and providing training for juvenile court judges and staff regarding all issues affecting the children and families who are brought before the courts.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.10 Council of Juvenile and Family Court Judges					
Full-Time	6	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	5	5	0	5
Payroll	284,000	338,600	338,600	0	338,600
Operational	200,400	141,400	139,000	0	139,000
Total	\$484,400	\$480,000	\$477,600	\$0	\$477,600
State	411,600	435,000	432,600	0	432,600
Federal	0	0	0	0	0
Other	72,800	45,000	45,000	0	45,000

Department of Finance and Administration – TennCare

TennCare is responsible for administering Tennessee’s Medicaid waiver program. TennCare provides basic health care and mental health services to people who meet Medicaid eligibility requirements, certain low-income individuals without access to health insurance, and the medically eligible.

Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. Administration is divided into four areas:

- Program Administration
- Policy and Planning
- Quality Assurance
- Long Term Care.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
318.65 TennCare Administration					
Full-Time	537	529	529	62	591
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	537	529	529	62	591
Payroll	18,866,400	23,387,100	23,387,100	2,684,400	26,071,500
Operational	176,275,500	178,541,600	179,213,100	8,063,400	187,276,500
Total	\$195,141,900	\$201,928,700	\$202,600,200	\$10,747,800	\$213,348,000
State	81,205,800	87,874,900	88,210,700	4,085,200	92,295,900
Federal	113,513,500	113,919,800	114,255,500	6,662,600	120,918,100
Other	422,600	134,000	134,000	0	134,000

TennCare Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed care organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical care.

318.66 TennCare Services

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	4,986,904,500	5,199,247,500	4,723,632,300	942,257,000	5,665,889,300
Total	\$4,986,904,500	\$5,199,247,500	\$4,723,632,300	\$942,257,000	\$5,665,889,300
State	1,376,527,600	1,501,355,700	1,390,223,700	300,809,700	1,691,033,400
Federal	3,287,075,600	3,282,775,900	2,973,551,700	539,631,200	3,513,182,900
Other	323,301,300	415,115,900	359,856,900	101,816,100	461,673,000

Waiver and Crossover Services

Waiver and Crossover Services provides funding for Home and Community Based Services waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services.

Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

318.67 Waiver and Crossover Services

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	557,638,000	651,709,900	651,750,700	67,051,700	718,802,400
Total	\$557,638,000	\$651,709,900	\$651,750,700	\$67,051,700	\$718,802,400
State	193,780,100	233,933,900	234,012,800	24,281,000	258,293,800
Federal	363,857,900	417,776,000	417,737,900	42,770,700	460,508,600
Other	0	0	0	0	0

Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

318.68 Long Term Care Services

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	1,124,800,700	1,193,357,200	1,192,743,100	66,859,600	1,259,602,700
Total	\$1,124,800,700	\$1,193,357,200	\$1,192,743,100	\$66,859,600	\$1,259,602,700
State	405,690,100	425,043,900	424,826,000	23,596,400	448,422,400
Federal	719,110,600	768,313,300	767,917,100	43,263,200	811,180,300
Other	0	0	0	0	0

318.00 Department Total

Full-Time	537	529	529	62	591
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	537	529	529	62	591
Payroll	18,866,400	23,387,100	23,387,100	2,684,400	26,071,500
Operational	6,845,618,700	7,222,856,200	6,747,339,200	1,084,231,700	7,831,570,900
Total	\$6,864,485,100	\$7,246,243,300	\$6,770,726,300	\$1,086,916,100	\$7,857,642,400
State	2,057,203,600	2,248,208,400	2,137,273,200	352,772,300	2,490,045,500
Federal	4,483,557,600	4,582,785,000	4,273,462,200	632,327,700	4,905,789,900
Other	323,723,900	415,249,900	359,990,900	101,816,100	461,807,000

Department of Mental Health and Developmental Disabilities

The Department of Mental Health and Developmental Disabilities is responsible for ensuring the provision of services to adults with or at risk of serious and persistent mental illness and children and youth with serious emotional disturbance. This is accomplished through five state-operated inpatient facilities, policy and program guidance to the TennCare Partners Program, and a system of community service grants. The primary focus of the department is to provide a comprehensive system of care that:

- Includes adequate resources
- Safeguards the rights of consumers
- Promotes consumer integration into the community
- Matches services to the consumer and family members in the least restrictive setting.

The department is divided into two functional areas: Administrative Services and Mental Health Services.

Administrative Services

The Administrative Services Division directs the regulatory and administrative responsibilities of the department. Administrative staff in the commissioner's office provide and coordinate legal and medical advice, public information and education, planning, auditing and licensing functions, support services in the recruitment and retention for the workforce, as well as develop and implement special programs and projects.

The Division of Administrative Services oversees purchasing and facility management operations, major maintenance and capital outlay projects; provides budgeting and accounting functions, claims payments, data processing and systems reporting; and develops and maintains automated systems applications for the central office and state-operated facilities.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
339.01 Administrative Services Division					
Full-Time	171	135	135	1	136
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	171	135	135	1	136
Payroll	7,718,900	7,954,600	7,922,100	73,300	7,995,400
Operational	1,992,700	2,404,700	2,397,100	838,700	3,235,800
Total	\$9,711,600	\$10,359,300	\$10,319,200	\$912,000	\$11,231,200
State	6,640,400	6,968,100	6,935,900	912,000	7,847,900
Federal	175,700	319,900	209,800	0	209,800
Other	2,895,500	3,071,300	3,173,500	0	3,173,500

Mental Health Services

Mental Health Services is responsible for the administration of a variety of mental health services including the distribution and payment of mental health service funds for several federal grants,

forensic services, and other community programs funded through state dollars. The division is also responsible for the operation of the state's five regional mental health institutes.

The regional mental health institutes provide inpatient services to increase the functioning, productivity, and quality of life for severely mentally ill adults and seriously emotionally disturbed children and adolescents. The Joint Commission on Accreditation of Hospitals accredits these institutes as psychiatric hospitals. The institutes typically provide the following services:

- Acute treatment services for admitting adults who need emergency and generally short-term inpatient care
- Rehabilitation services for chronically ill adults who typically require basic living, socialization, and vocational skills training
- Gero-Psychiatric, physical, and socialization services primarily to persons age 60 and older, many of whom need nursing care
- Children and youth services primarily for children and adolescents referred by mental health centers, juvenile courts, and the Department of Children's Services
- Forensics services for inpatient diagnostic evaluation and/or treatment to adults as designated by the courts
- Forensic evaluation and/or treatment in a secure setting at Middle Tennessee Mental Health Institute.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
339.05 Mental Health Services Administration					
Full-Time	28	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	28	28	0	28
Payroll	1,485,500	1,781,700	1,755,900	0	1,755,900
Operational	617,900	475,500	450,300	0	450,300
Total	\$2,103,400	\$2,257,200	\$2,206,200	\$0	\$2,206,200
State	1,386,200	1,602,800	1,592,100	0	1,592,100
Federal	462,000	360,600	360,600	0	360,600
Other	255,200	293,800	253,500	0	253,500
339.08 Community Mental Health Services					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	48,106,400	54,842,200	53,806,300	0	53,806,300
Total	\$48,106,400	\$54,842,200	\$53,806,300	\$0	\$53,806,300
State	36,811,600	43,035,000	43,035,000	0	43,035,000
Federal	9,770,600	10,215,600	9,282,300	0	9,282,300
Other	1,524,200	1,591,600	1,489,000	0	1,489,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
339.10 Lakeshore Mental Health Institute					
Full-Time	572	532	505	0	505
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	572	532	505	0	505
Payroll	19,800,600	21,870,700	20,852,700	0	20,852,700
Operational	7,645,000	7,491,800	7,255,000	0	7,255,000
Total	\$27,445,600	\$29,362,500	\$28,107,700	\$0	\$28,107,700
State	10,581,900	12,826,200	11,561,500	0	11,561,500
Federal	1,990,900	1,987,600	1,987,600	0	1,987,600
Other	14,872,800	14,548,700	14,558,600	0	14,558,600
339.11 Middle Tennessee Mental Health Institute					
Full-Time	728	754	715	0	715
Part-Time	15	15	13	0	13
Seasonal	0	0	0	0	0
Total	743	769	728	0	728
Payroll	31,771,000	31,849,500	30,162,100	0	30,162,100
Operational	11,033,900	10,649,800	9,642,600	0	9,642,600
Total	\$42,804,900	\$42,499,300	\$39,804,700	\$0	\$39,804,700
State	14,809,000	13,731,700	12,226,900	0	12,226,900
Federal	2,384,900	2,301,400	2,301,400	0	2,301,400
Other	25,611,000	26,466,200	25,276,400	0	25,276,400
339.12 Western Mental Health Institute					
Full-Time	615	654	654	0	654
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	615	654	654	0	654
Payroll	26,847,900	28,010,400	28,010,400	0	28,010,400
Operational	6,051,100	7,257,500	7,085,400	0	7,085,400
Total	\$32,899,000	\$35,267,900	\$35,095,800	\$0	\$35,095,800
State	7,487,000	12,310,400	11,520,900	0	11,520,900
Federal	1,453,000	1,209,100	1,209,100	0	1,209,100
Other	23,959,000	21,748,400	22,365,800	0	22,365,800
339.16 Moccasin Bend Mental Health Institute					
Full-Time	354	446	446	0	446
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	354	446	446	0	446
Payroll	16,905,100	19,153,300	19,153,300	0	19,153,300
Operational	5,910,400	5,555,000	5,430,600	0	5,430,600
Total	\$22,815,500	\$24,708,300	\$24,583,900	\$0	\$24,583,900
State	7,227,400	9,194,900	8,453,100	0	8,453,100
Federal	2,460,200	2,113,400	2,113,400	0	2,113,400
Other	13,127,900	13,400,000	14,017,400	0	14,017,400

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
339.17 Memphis Mental Health Institute					
Full-Time	337	339	349	0	349
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	338	340	350	0	350
Payroll	14,463,100	14,927,500	15,788,900	0	15,788,900
Operational	8,039,800	6,908,400	5,412,000	0	5,412,000
Total	\$22,502,900	\$21,835,900	\$21,200,900	\$0	\$21,200,900
State	11,056,700	10,644,200	9,403,800	0	9,403,800
Federal	2,303,300	2,094,900	2,094,900	0	2,094,900
Other	9,142,900	9,096,800	9,702,200	0	9,702,200
339.40 Major Maintenance					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	890,300	875,000	750,000	0	750,000
Total	\$890,300	\$875,000	\$750,000	\$0	\$750,000
State	765,600	750,000	750,000	0	750,000
Federal	0	0	0	0	0
Other	124,700	125,000	0	0	0
339.00 Department Total					
Full-Time	2,805	2,888	2,832	1	2,833
Part-Time	16	16	14	0	14
Seasonal	0	0	0	0	0
Total	2,821	2,904	2,846	1	2,847
Payroll	118,992,100	125,547,700	123,645,400	73,300	123,718,700
Operational	90,287,500	96,459,900	92,229,300	838,700	93,068,000
Total	\$209,279,600	\$222,007,600	\$215,874,700	\$912,000	\$216,786,700
State	96,765,800	111,063,300	105,479,200	912,000	106,391,200
Federal	21,000,600	20,602,500	19,559,100	0	19,559,100
Other	91,513,200	90,341,800	90,836,400	0	90,836,400

Statistical Data Mental Health Institutes

	Lakeshore 339.10	Middle Tennessee 339.11	Western 339.12	Moccasin Bend 339.16	Memphis 339.17	Total
Annual Admissions						
1997-1998	1,301	2,331	1,340	1,648	1,707	8,327
1998-1999	1,925	2,430	1,638	1,769	2,010	9,772
1999-2000	2,030	2,465	1,836	2,054	1,519	9,904
2000-2001	2,279	3,087	1,865	2,089	1,624	10,944
2001-2002	2,483	3,421	2,150	2,851	1,535	12,440
2002-2003	2,894	3,762	2,333	3,888	1,606	14,483
2003-2004	2,771	4,102	2,064	4,001	1,374	14,312
2004-2005	2,771	4,102	2,064	4,001	1,374	14,312
Annual Releases						
1997-1998	1,271	2,331	1,328	1,633	1,711	8,274
1998-1999	1,946	2,409	1,616	1,776	1,991	9,738
1999-2000	2,021	2,434	1,872	2,043	1,527	9,897
2000-2001	2,293	3,082	1,831	2,042	1,610	10,858
2001-2002	2,471	3,416	2,164	2,854	1,540	12,445
2002-2003	2,878	3,784	2,299	3,896	1,571	14,428
2003-2004	2,808	4,127	2,148	4,026	1,399	14,508
2004-2005	2,808	4,127	2,148	4,026	1,399	14,508
Average Daily Census						
1997-1998	181	236	230	141	97	885
1998-1999	200	257	228	147	102	934
1999-2000	188	273	234	155	77	927
2000-2001	180	288	254	179	82	983
2001-2002	160	284	259	151	79	933
2002-2003	175	276	259	151	96	957
2003-2004	168	300	260	161	83	972
2004-2005	168	300	260	161	83	972
Cost Per Occupancy Day*						
1997-1998	\$324.78	\$308.86	\$267.76	\$315.78	\$347.52	\$306.78
1998-1999	\$309.33	\$314.99	\$312.34	\$319.52	\$413.64	\$324.62
1999-2000	\$338.73	\$342.03	\$291.06	\$320.81	\$563.16	\$343.31
2000-2001	\$388.31	\$358.65	\$292.57	\$302.11	\$557.94	\$353.33
2001-2002	\$450.57	\$388.57	\$332.17	\$390.80	\$632.08	\$404.52
2002-2003	\$429.68	\$424.90	\$348.01	\$413.96	\$642.21	\$425.04
2003-2004	\$477.53	\$387.06	\$370.62	\$419.31	\$718.81	\$431.97
2004-2005	\$458.38	\$363.51	\$369.82	\$418.34	\$699.82	\$419.40

* Last column indicates average cost per day for all institutions.

Department of Finance and Administration – Mental Retardation

The Department of Finance & Administration – Division of Mental Retardation is responsible for providing services to Tennesseans with mental retardation and other developmental disabilities to meet their individual and family choices and needs for services and support. Services are provided in a variety of settings, ranging from individual supported living in the community to institutional care, to ensure the most integrated environment to meet the needs of each person. This division also provides support to the Developmental Disabilities Council.

Mental Retardation Administration is responsible for the following:

- Coordination and support of three regional offices
- Administration of three developmental centers
- Administration of a Home and Community Based Waiver program for 4,500 individuals
- Development and implementation of policies
- Implementation of the settlement agreement community plan
- Approval of a statewide programs and provider development
- Administration of the Family Support Program
- Coordination of budget and personnel functions
- Receipt and payment of TennCare provider reimbursement for the Home and Community Based Waiver
- Coordination of community and developmental center investigations
- Training, technical assistance, and consultation in various specialty areas.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
339.21 Mental Retardation Administration					
Full-Time	107	164	164	18	182
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	164	164	18	182
Payroll	4,700,300	8,998,800	9,060,300	874,300	9,934,600
Operational	3,341,300	2,687,300	2,597,200	568,300	3,165,500
Total	\$8,041,600	\$11,686,100	\$11,657,500	\$1,442,600	\$13,100,100
State	3,112,000	4,115,600	4,107,000	157,500	4,264,500
Federal	0	0	0	0	0
Other	4,929,600	7,570,500	7,550,500	1,285,100	8,835,600

Developmental Disabilities Council

The Developmental Disabilities Council consists of members appointed by the Governor and represents a broad range of disabilities as well as the cultural and geographical diversity of the state. The council works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. Council members are responsible for administering federal grant funds and implementing federal law. While the council is administratively tied to the Division of Mental Retardation Services, council employees operate separately from the Division of Mental Retardation Services staff and work at the direction of the council.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
339.22 Developmental Disabilities Council					
Full-Time	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	342,400	412,500	422,000	0	422,000
Operational	1,332,600	1,845,400	1,834,600	0	1,834,600
Total	\$1,675,000	\$2,257,900	\$2,256,600	\$0	\$2,256,600
State	31,200	165,800	164,500	0	164,500
Federal	1,643,800	2,092,100	2,092,100	0	2,092,100
Other	0	0	0	0	0

Community Mental Retardation Services provide community-based mental retardation services to persons with mental retardation and other developmental disabilities. The division contracts with community agencies across the state to provide the following comprehensive system of support services:

- Family-based residential services
- Group homes
- Family support
- Supported living
- Highly structured specialized living arrangements
- Adult day services
- Therapy services
- Early intervention services
- Respite
- Diagnostic and evaluation
- Recreation
- Supported employment
- Support coordination services.

339.23 Community Mental Retardation Services

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	356,728,600	400,496,700	384,690,500	52,906,200	437,596,700
Total	\$356,728,600	\$400,496,700	\$384,690,500	\$52,906,200	\$437,596,700
State	47,610,500	81,797,200	65,991,000	22,558,700	88,549,700
Federal	0	0	0	0	0
Other	309,118,100	318,699,500	318,699,500	30,347,500	349,047,000

The Division of Mental Retardation Services is also responsible for the three regional offices of the state - which coordinate services for individuals in the community, for developmental centers, and for individuals transitioning from institutional settings to the community. These offices assist consumers and their families in finding the most appropriate, least restrictive placement. They also monitor services to ensure appropriate and safe living and working environments for each person.

Each regional office coordinates the operation of one of the state's three developmental centers: Arlington, Clover Bottom, and Greene Valley. Each center provides 24-hour care to improve the physical, intellectual, social, and emotional capabilities of adults and children who are severely and profoundly retarded. The following programs are typically provided by the developmental centers:

- Individualized personal care and training opportunities in self-help, ambulation, communication, and socialization skills
- Intensive care for individualized habilitation training in self-help, language development, and motor skills for residents with severe and profound mental retardation
- Medical treatment to residents who require more than can be provided in the living unit, but do not require specialized medical services that can only be obtained through outside hospitalization
- Mentally retarded offender care at Harold W. Jordan Habilitation Center, located at Clover Bottom Developmental Center, for habilitation and competency training in a secure institution for adolescent and adult offenders exhibiting challenging behaviors with mild to moderate retardation.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
339.25 West Tennessee Region					
Full-Time	1,222	1,277	1,277	33	1,310
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,222	1,277	1,277	33	1,310
Payroll	44,806,400	49,274,500	49,274,500	1,390,300	50,664,800
Operational	24,925,300	37,278,200	37,006,900	0	37,006,900
Total	\$69,731,700	\$86,552,700	\$86,281,400	\$1,390,300	\$87,671,700
State	13,762,300	4,885,600	4,872,000	417,000	5,289,000
Federal	0	0	0	0	0
Other	55,969,400	81,667,100	81,409,400	973,300	82,382,700
339.26 Middle Tennessee Region					
Full-Time	1,051	1,120	1,120	30	1,150
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	1,052	1,121	1,121	30	1,151
Payroll	37,479,900	42,529,800	42,529,800	1,256,500	43,786,300
Operational	19,677,500	19,851,600	19,612,700	0	19,612,700
Total	\$57,157,400	\$62,381,400	\$62,142,500	\$1,256,500	\$63,399,000
State	22,422,200	8,996,700	8,984,800	377,000	9,361,800
Federal	0	0	0	0	0
Other	34,735,200	53,384,700	53,157,700	879,500	54,037,200
339.27 East Tennessee Region					
Full-Time	1,368	1,496	1,496	37	1,533
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,368	1,496	1,496	37	1,533
Payroll	52,429,600	56,010,400	56,010,400	1,510,300	57,520,700
Operational	16,725,900	18,091,600	17,797,100	0	17,797,100
Total	\$69,155,500	\$74,102,000	\$73,807,500	\$1,510,300	\$75,317,800

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
State	7,309,000	2,919,300	2,919,300	453,100	3,372,400
Federal	0	0	0	0	0
Other	61,846,500	71,182,700	70,888,200	1,057,200	71,945,400

339.21 Department Total

Full-Time	3,756	4,065	4,065	118	4,183
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	3,757	4,066	4,066	118	4,184
Payroll	139,758,600	157,226,000	157,297,000	5,031,400	162,328,400
Operational	422,731,200	480,250,800	463,539,000	53,474,500	517,013,500
Total	\$562,489,800	\$637,476,800	\$620,836,000	\$58,505,900	\$679,341,900
State	94,247,200	102,880,200	87,038,600	23,963,300	111,001,900
Federal	1,643,800	2,092,100	2,092,100	0	2,092,100
Other	466,598,800	532,504,500	531,705,300	34,542,600	566,247,900

Statistical Data Mental Retardation Developmental Centers

	<u>Arlington</u> 339.25	<u>Clover</u> <u>Bottom</u> 339.26	<u>Greene</u> <u>Valley</u> 339.27	<u>Nat</u> <u>Winston</u> 339.28	<u>Total</u>
Annual Admissions					
1997-1998	1	9	8	0	18
1998-1999	1	2	3	0	6
1999-2000	0	3	0	0	3
2000-2001	0	15	10	0	25
2001-2002	0	6	6	0	12
2002-2003	0	6	6	0	12
2003-2004	0	0	0	0	0
2004-2005	0	0	0	0	0
Annual Releases					
1997-1998	23	43	37	66	169
1998-1999	36	25	46	0	107
1999-2000	17	39	19	0	75
2000-2001	24	30	30	0	84
2001-2002	42	16	16	0	74
2002-2003	17	25	22	0	64
2003-2004	6	20	23	0	49
2004-2005	6	20	23	0	49
Average Daily Census					
1997-1998	333	340	446	37	1,156
1998-1999	300	311	406	0	1,017
1999-2000	285	289	374	0	948
2000-2001	261	264	353	0	878
2001-2002	249	239	343	0	831
2002-2003	223	216	319	0	758
2003-2004	215	210	318	0	743
2004-2005	209	200	300	0	709
Cost Per Occupancy Day*					
1997-1998	\$552.15	\$426.35	\$346.10	\$399.76	\$430.78
1998-1999	\$607.16	\$469.20	\$399.78	\$0.00	\$482.18
1999-2000	\$606.98	\$475.30	\$424.47	\$0.00	\$494.83
2000-2001	\$690.46	\$511.23	\$457.11	\$0.00	\$542.75
2001-2002	\$720.98	\$575.47	\$442.33	\$0.00	\$564.12
2002-2003	\$741.01	\$647.52	\$536.93	\$0.00	\$628.48
2003-2004	\$916.81	\$720.39	\$511.78	\$0.00	\$687.94
2004-2005	\$953.52	\$765.25	\$552.98	\$0.00	\$730.93

* Last column indicates average cost per day for all institutions.

Department of Health

The Department of Health is responsible for protecting and improving the health of Tennessee's citizens and visitors. In order to carry out this responsibility, the department is organized into five functional areas which include:

- Administrative and Support Services
- Bureau of Health Licensure and Regulation
- Bureau of Health Informatics
- Bureau of Health Services
- Bureau of Alcohol and Drug Abuse Services.

Administrative and Support Services

Administrative and Support Services provides direction, coordination, review, and basic support services to the Department of Health. This functional area is divided into Executive Administration, the Bureau of Administrative Services, and Laboratory Services.

Executive Administration provides for the overall policy direction and management of the department, as well as human resources, legal, and minority health activities.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
343.01 Executive Administration					
Full-Time	73	76	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	76	73	0	73
Payroll	3,559,800	4,190,400	4,112,600	0	4,112,600
Operational	1,245,200	1,340,200	1,297,800	0	1,297,800
Total	\$4,805,000	\$5,530,600	\$5,410,400	\$0	\$5,410,400
State	4,087,600	4,680,300	4,560,100	0	4,560,100
Federal	715,200	850,300	850,300	0	850,300
Other	2,200	0	0	0	0

The Bureau of Administrative Services provides administrative support to program areas of the department. This support includes accounting, budgeting, contracting, and facilities management, as well as procurement and payment activities.

343.03 Bureau of Administrative Services

Full-Time	67	65	63	0	63
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	65	63	0	63
Payroll	2,539,300	3,142,800	3,045,300	0	3,045,300
Operational	616,800	478,700	426,600	0	426,600
Total	\$3,156,100	\$3,621,500	\$3,471,900	\$0	\$3,471,900
State	2,136,300	2,559,800	2,410,200	0	2,410,200
Federal	1,019,800	1,061,700	1,061,700	0	1,061,700
Other	0	0	0	0	0

Laboratory Services offers microbiological and environmental laboratory services for intra- and inter-departmental programs. Reference and limited microbiological support is provided to hospitals, private physicians, and private laboratories. The division also provides analytical support to the department's prevention and treatment programs and to environmental regulatory programs.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
343.08 Laboratory Services					
Full-Time	192	187	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	192	187	185	0	185
Payroll	6,198,400	8,726,300	8,659,800	0	8,659,800
Operational	7,281,700	8,272,600	7,976,600	0	7,976,600
Total	\$13,480,100	\$16,998,900	\$16,636,400	\$0	\$16,636,400
State	6,908,000	7,561,600	7,161,700	0	7,161,700
Federal	1,913,300	3,432,300	3,432,300	0	3,432,300
Other	4,658,800	6,005,000	6,042,400	0	6,042,400

Bureau of Health Licensure and Regulation

The Bureau of Health Licensure and Regulation regulates the health care industry through the certification and licensure of health care facilities, emergency medical services, and the regulation of certain health care professionals.

Health Licensure and Regulation provides the overall policy, direction, and support for the Bureau of Health Licensure and Regulation and specifically monitors the quality of health care rendered to the citizens of Tennessee by regulating health care facilities. The following programs are administered by the bureau:

- Civil rights compliance
- Health care facility licensure
- Health Care Facility Federal Certification Program.

343.05 Health Licensure and Regulation

Full-Time	164	169	169	0	169
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	164	169	169	0	169
Payroll	7,331,000	8,229,700	8,379,700	0	8,379,700
Operational	3,957,100	3,647,800	3,638,900	0	3,638,900
Total	\$11,288,100	\$11,877,500	\$12,018,600	\$0	\$12,018,600
State	4,207,300	4,186,400	4,220,700	0	4,220,700
Federal	5,514,200	6,096,700	6,204,700	0	6,204,700
Other	1,566,600	1,594,400	1,593,200	0	1,593,200

Emergency Medical Services (EMS) provides quality assurance and oversight of pre-hospital emergency medical care and the medical transportation system in Tennessee. Activities include licensing public and private ambulance services, inspecting and issuing permits for ambulances,

training and certifying personnel, and developing regulations. In addition, technical assistance and coordination is provided to local governments for the development of EMS communications systems.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
343.07 Emergency Medical Services					
Full-Time	17	20	20	0	20
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	30	33	33	0	33
Payroll	764,500	940,800	940,800	0	940,800
Operational	421,000	1,214,500	934,300	0	934,300
Total	\$1,185,500	\$2,155,300	\$1,875,100	\$0	\$1,875,100
State	356,500	547,400	546,500	0	546,500
Federal	63,300	951,800	672,500	0	672,500
Other	765,700	656,100	656,100	0	656,100

The Health Related Boards regulate certain health care professions through the following activities:

- Certification and licensure of health care professionals
- Enforcement of statutes and rules pertaining to standards of practice and professional conduct
- Assistance in administration, investigation, enforcement, and peer assistance.

343.10 Health Related Boards

Full-Time	111	111	111	5	116
Part-Time	163	163	163	0	163
Seasonal	0	0	0	0	0
Total	274	274	274	5	279
Payroll	4,325,400	4,713,700	4,859,300	192,600	5,051,900
Operational	3,876,000	5,390,400	5,241,500	35,600	5,277,100
Total	\$8,201,400	\$10,104,100	\$10,100,800	\$228,200	\$10,329,000
State	8,175,800	10,104,100	10,100,800	228,200	10,329,000
Federal	0	0	0	0	0
Other	25,600	0	0	0	0

Bureau of Health Informatics

The Bureau of Health Informatics collects and analyzes a wide array of public health data. This data is utilized by various agencies of government and the private sector to assess public health trends in order to assist them in priority-setting and establishment of health policy. It is further used for specific program planning and resource allocation to address identified public health needs and concerns. The bureau also provides information system support to the various programs within the Department of Health through its Division of Technology.

The Division of Technology provides information systems support to the various programs within the Department of Health. This support includes systems applications and operations activities for mainframe and personal computers as well as data and text management.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
343.04 Division of Technology					
Full-Time	53	47	46	0	46
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	47	46	0	46
Payroll	2,176,800	2,548,200	2,481,300	0	2,481,300
Operational	767,900	781,200	773,700	0	773,700
Total	\$2,944,700	\$3,329,400	\$3,255,000	\$0	\$3,255,000
State	2,820,500	3,252,100	3,177,700	0	3,177,700
Federal	85,500	76,500	76,500	0	76,500
Other	38,700	800	800	0	800

The Division of Policy, Planning, and Assessment administers all vital records, health statistics and research, the traumatic brain injury registry, the cancer registry, and the Children's Information Tennessee (CIT) system, which was created through the partnership of five state agencies that provide various services to Tennessee children.

343.20 Division of Policy, Planning, and Assessment

Full-Time	126	141	141	0	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	126	141	141	0	141
Payroll	4,599,200	6,187,400	6,217,400	0	6,217,400
Operational	3,463,600	2,747,300	2,479,500	0	2,479,500
Total	\$8,062,800	\$8,934,700	\$8,696,900	\$0	\$8,696,900
State	3,599,500	4,593,000	4,128,300	0	4,128,300
Federal	1,590,500	1,628,800	1,628,800	0	1,628,800
Other	2,872,800	2,712,900	2,939,800	0	2,939,800

Bureau of Health Services

The Bureau of Health Services is responsible for the delivery of public health services to the citizens and visitors of Tennessee through a system of 13 regional health offices responsible for the oversight of services provided in 89 rural and six metropolitan county health departments. These services encompass both primary care and prevention services with an emphasis on health promotion, disease prevention, and health access activities. The programs offered by this bureau are in six functional areas:

- General Environmental Health
- Maternal and Child Health
- Communicable and Environmental Disease Services
- Population-Based Services
- Women, Infants, and Children (WIC) Supplemental Foods
- Local Health Services.

Health Services Administration directs, supervises, plans, and coordinates health care service delivery in the state as well as providing administrative support to the various programs within the Bureau of Health Services.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
343.45 Health Services Administration					
Full-Time	54	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	56	56	0	56
Payroll	2,724,100	3,357,700	3,357,700	0	3,357,700
Operational	1,785,300	1,735,100	1,731,100	0	1,731,100
Total	\$4,509,400	\$5,092,800	\$5,088,800	\$0	\$5,088,800
State	3,368,800	3,805,100	3,801,100	0	3,801,100
Federal	1,140,600	1,247,300	1,247,300	0	1,247,300
Other	0	40,400	40,400	0	40,400

The General Environmental Health program enforces standards pertaining to sanitation and safety in hotels, food service establishments, bed and breakfast establishments, campgrounds, and swimming pools through field inspections. In addition, the program is responsible for rabies control activities, lead investigations, and environmental surveys that are conducted in schools, child care facilities, and state correctional institutions.

343.39 General Environmental Health

Full-Time	110	110	110	0	110
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	110	110	110	0	110
Payroll	5,047,300	5,495,100	5,495,100	0	5,495,100
Operational	3,130,800	4,004,800	4,648,000	0	4,648,000
Total	\$8,178,100	\$9,499,900	\$10,143,100	\$0	\$10,143,100
State	8,121,400	9,471,300	10,114,500	0	10,114,500
Federal	0	0	0	0	0
Other	56,700	28,600	28,600	0	28,600

The Maternal and Child Health (MCH) program provides health services to women of child-bearing age and to children in low-income populations in an effort to reduce maternal and infant mortality and morbidity. This program also provides evaluation, diagnosis, education, counseling, comprehensive medical care, and case management services for physically disabled children up to the age of 21. Programs administered by this division include:

- Regional perinatal centers
- Prenatal care
- Genetics and sickle cell screening
- Child health care services
- Black health care projects
- Family planning.

343.47 Maternal and Child Health

Full-Time	43	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	44	44	0	44

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	1,236,100	2,375,700	2,375,700	0	2,375,700
Operational	11,332,900	13,250,700	13,249,500	0	13,249,500
Total	\$12,569,000	\$15,626,400	\$15,625,200	\$0	\$15,625,200
State	2,648,600	2,925,300	2,924,100	0	2,924,100
Federal	6,572,100	8,267,100	8,267,100	0	8,267,100
Other	3,348,300	4,434,000	4,434,000	0	4,434,000

The Communicable and Environmental Disease Services (CEDS) program conducts activities to protect the citizens of the state from infectious diseases. These activities include epidemiological investigations of acute communicable diseases, tuberculosis control services, administration of immunizations against vaccine-preventable diseases, as well as investigation, diagnosis, and treatment of persons with sexually transmitted diseases including HIV/AIDS. This division also provides skilled professional case management intervention, financial assistance, housing, medical and social services, and referrals across Tennessee for people with HIV, as well as their families and caregivers. Environmental epidemiology services are also provided in this section including education programs relative to chemical or physical pollution, disease cluster investigations, and toxicological at-risk assessment consultations with environmental regulatory programs within the Department of Environment and Conservation.

343.49 Communicable and Environmental Disease Services

Full-Time	98	120	120	0	120
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	99	121	121	0	121
Payroll	3,315,600	6,514,200	6,401,700	0	6,401,700
Operational	21,012,900	40,389,300	39,508,400	3,000,000	42,508,400
Total	\$24,328,500	\$46,903,500	\$45,910,100	\$3,000,000	\$48,910,100
State	1,737,800	3,930,500	3,049,600	1,000,000	4,049,600
Federal	22,516,400	42,973,000	42,860,500	2,000,000	44,860,500
Other	74,300	0	0	0	0

Population-Based Services include health promotion activities that seek to reduce premature death and disability, and promote healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population served is the indigent and medically underserved. The Health Access Incentive Program provides financial incentives to primary care providers to locate in an underserved area as well as other community initiatives. The Office of Rural Health provides statewide coordination of activities designed to improve the availability and accessibility of health care services in rural areas. Specific programs include:

- Health access
- Rural health
- Rape prevention & education
- Chronic renal disease
- Hemophilia
- Community Prevention Initiative
- Community development
- State Medical Examiner's program
- Traumatic brain injury
- Community nutrition services
- Employee health clinic.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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343.52 Population-Based Services

Full-Time	66	65	64	0	64
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	65	64	0	64
Payroll	2,380,100	3,224,400	3,186,100	0	3,186,100
Operational	10,825,600	12,857,800	12,836,200	202,600	13,038,800
Total	\$13,205,700	\$16,082,200	\$16,022,300	\$202,600	\$16,224,900
State	7,919,200	9,355,600	9,182,900	202,600	9,385,500
Federal	5,211,700	6,165,200	6,278,000	0	6,278,000
Other	74,800	561,400	561,400	0	561,400

The Women, Infants, and Children (WIC) Supplemental Foods Program provides screening, counseling, and food supplements to needy women, infants, and children. Through promotion and modification of food practices, this program seeks to minimize the risk of complications to mothers and children, maximize normal development, and improve the health status of the targeted high-risk population.

343.53 Women, Infants, and Children (WIC)

Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	779,900	977,900	977,900	0	977,900
Operational	104,816,400	113,737,800	113,737,100	0	113,737,100
Total	\$105,596,300	\$114,715,700	\$114,715,000	\$0	\$114,715,000
State	0	0	0	0	0
Federal	69,114,600	80,709,700	80,709,000	0	80,709,000
Other	36,481,700	34,006,000	34,006,000	0	34,006,000

Local Health Services offers health services to citizens of the state through a network of regional health offices, metropolitan area offices, and county health departments. Grant-in-aid is provided to local health units to assure that every citizen in the state has access to health care and to assist county health departments in providing adequate staff. The health services provided through this network include the following:

- Child health and development services
- Family planning services
- Community health clinics/primary care services
- Dental services
- Women, Infants, and Children (WIC)
- Children's special services
- Immunizations services
- Health promotion services
- Sexually transmitted diseases services
- Tuberculosis control services
- AIDS services
- A & D intake, assessment & referral
- Community development
- Families First home visits
- TennCare outreach activities.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
343.60 Local Health Services					
Full-Time	1,593	1,611	1,611	0	1,611
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	1,596	1,614	1,614	0	1,614
Payroll	60,160,200	71,423,800	70,063,800	0	70,063,800
Operational	75,404,100	74,986,900	73,487,700	0	73,487,700
Total	\$135,564,300	\$146,410,700	\$143,551,500	\$0	\$143,551,500
State	21,375,600	26,208,000	21,418,800	0	21,418,800
Federal	59,102,700	63,199,200	63,199,200	0	63,199,200
Other	55,086,000	57,003,500	58,933,500	0	58,933,500

Bureau of Alcohol and Drug Abuse Services

Alcohol and Drug Abuse Services is responsible for developing prevention and treatment services to decrease the incidence of alcohol and other drug abuse and dependence. There is particular emphasis on populations with special needs including children and youth, AIDS patients, minorities, women, intravenous drug abusers, the elderly, and persons with both mental health and alcohol and/or drug abuse diagnoses (dual diagnosis).

The majority of services developed through this program are funded through grants to non-profit or local government agencies. The activities of Alcohol and Drug Abuse Services include:

- Directing media campaigns to prevent or reduce substance abuse and addiction
- Coordinating, assisting, and developing alcohol and drug abuse prevention services and programs with local communities including, but not limited to, intensive focus, community prevention networks, and regional training
- Coordinating, assisting, and developing alcohol and drug abuse treatment services and programs with local communities including, but not limited to, detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services
- Coordinating alcohol and drug policy and programming with regional and national networks
- Collaborating and coordinating with local governments, community groups, and other state agencies to target at-risk youth with prevention programs through the Community Prevention Initiative.

343.44 Alcohol and Drug Abuse Services

Full-Time	30	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	31	31	0	31
Payroll	1,485,300	1,557,900	1,557,900	0	1,557,900
Operational	43,097,500	43,363,600	43,361,900	2,000,000	45,361,900
Total	\$44,582,800	\$44,921,500	\$44,919,800	\$2,000,000	\$46,919,800

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
State	10,882,600	10,971,300	10,969,600	2,000,000	12,969,600
Federal	33,631,600	33,950,200	33,950,200	0	33,950,200
Other	68,600	0	0	0	0

343.00 Department Total

Full-Time	2,817	2,873	2,864	5	2,869
Part-Time	180	180	180	0	180
Seasonal	0	0	0	0	0
Total	2,997	3,053	3,044	5	3,049
Payroll	108,623,000	133,606,000	132,112,100	192,600	132,304,700
Operational	293,034,800	328,198,700	325,328,800	5,238,200	330,567,000
Total	\$401,657,800	\$461,804,700	\$457,440,900	\$5,430,800	\$462,871,700
State	88,345,500	104,151,800	97,766,600	3,430,800	101,197,400
Federal	208,191,500	250,609,800	250,438,100	2,000,000	252,438,100
Other	105,120,800	107,043,100	109,236,200	0	109,236,200

Department of Human Services

The mission of the Department of Human Services is to provide an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans to improve their quality of life. The department is structured into four functional areas:

- Administration
- Adult and Family Services
- Child Support
- Rehabilitation Services.

Administration

Administration provides departmental support services, operates county field offices, supervises a quality control system, and conducts administrative hearings and investigations.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
345.01 Division of Administration					
Full-Time	497	541	541	0	541
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	497	541	541	0	541
Payroll	20,802,400	28,680,800	26,928,000	0	26,928,000
Operational	29,877,100	25,246,700	24,668,300	0	24,668,300
Total	\$50,679,500	\$53,927,500	\$51,596,300	\$0	\$51,596,300
State	17,938,900	18,316,400	18,310,600	0	18,310,600
Federal	22,392,600	24,284,300	23,168,700	0	23,168,700
Other	10,348,000	11,326,800	10,117,000	0	10,117,000
345.16 Field Operations					
Full-Time	516	506	506	0	506
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	516	506	506	0	506
Payroll	17,725,700	19,301,400	18,592,400	0	18,592,400
Operational	1,110,400	904,100	1,130,500	0	1,130,500
Total	\$18,836,100	\$20,205,500	\$19,722,900	\$0	\$19,722,900
State	4,891,300	5,918,000	5,915,000	0	5,915,000
Federal	4,500,500	5,795,600	5,318,300	0	5,318,300
Other	9,444,300	8,491,900	8,489,600	0	8,489,600
345.17 County Rentals					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	18,257,800	20,205,900	16,775,100	0	16,775,100
Total	\$18,257,800	\$20,205,900	\$16,775,100	\$0	\$16,775,100
State	5,002,800	4,023,600	3,897,600	0	3,897,600
Federal	5,868,000	7,310,200	5,963,100	0	5,963,100
Other	7,387,000	8,872,100	6,914,400	0	6,914,400

Adult and Family Services

The Family Assistance section provides temporary cash assistance and other support services for low-income families to enable them to become self-sufficient. The Family Assistance section consists of three programs: Families First, Food Stamp benefits, and Medicaid/TennCare eligibility.

Families First is the state TANF (Temporary Assistance to Needy Families) program that distributes cash grants and provides employment, training, education, and support services for families with financial need and dependent children deprived of support and/or care. The goals of the Families First program are to:

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage
- Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies
- Encourage the formation and maintenance of two-parent families.

The Food Stamp program helps ensure that eligible low-income families and individuals are able to obtain a nutritious diet. The program is the cornerstone of the federal food assistance programs, and provides crucial support to needy households and to those making the transition from welfare to work. The goal of the program is to eliminate hunger and reduce the incidence of food insecurity.

The goal of the Medicaid/TennCare eligibility unit is to determine eligibility for the TennCare program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, or others who need assistance with the application process.

345.23 Temporary Cash Assistance

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	140,903,600	137,796,400	117,296,400	43,882,700	161,179,100
Total	\$140,903,600	\$137,796,400	\$117,296,400	\$43,882,700	\$161,179,100
State	18,168,900	20,500,000	0	43,882,700	43,882,700
Federal	116,659,000	111,220,900	113,916,200	0	113,916,200
Other	6,075,700	6,075,500	3,380,200	0	3,380,200

345.25 Food Stamp Coupons

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	665,293,100	720,000,000	740,000,000	0	740,000,000
Total	\$665,293,100	\$720,000,000	\$740,000,000	\$0	\$740,000,000
State	0	0	0	0	0
Federal	665,293,100	720,000,000	740,000,000	0	740,000,000
Other	0	0	0	0	0

345.30 Family Assistance Services

Full-Time	1,873	1,869	2,126	0	2,126
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,873	1,869	2,126	0	2,126
Payroll	74,647,400	78,145,800	81,419,400	0	81,419,400
Operational	81,276,400	60,436,700	50,334,300	3,000,000	53,334,300
Total	\$155,923,800	\$138,582,500	\$131,753,700	\$3,000,000	\$134,753,700
State	65,246,700	54,816,000	47,259,400	1,500,000	48,759,400
Federal	52,418,000	48,004,400	46,444,100	1,500,000	47,944,100
Other	38,259,100	35,762,100	38,050,200	0	38,050,200

345.35 Disaster Relief

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,600	0	0	0	0
Total	\$2,600	\$0	\$0	\$0	\$0
State	600	0	0	0	0
Federal	2,000	0	0	0	0
Other	0	0	0	0	0

The Community Services section provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services. Services provided directly include:

- Child care and adult day care licensing
- Protective services for abused and neglected elderly and disabled adults
- Child care assistance for low income, working families.

A variety of social services and economic assistance are provided to citizens through contracts with non-profit agencies across the state. These services include:

- Child and adult day care
- Child care resource and referral services
- Child and adult care and summer food programs
- Tennessee Child Care Facilities Loan Program
- Homemaker services
- Refugee services
- Low-income home energy assistance and weatherization assistance programs
- Emergency Shelter Grants program
- Emergency and support services to low-income, disabled, and elderly citizens.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
345.49 Community Services					
Full-Time	322	332	400	0	400
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	322	332	400	0	400
Payroll	13,208,800	13,806,100	16,738,400	0	16,738,400
Operational	344,017,200	316,360,000	282,344,600	33,209,000	315,553,600
Total	\$357,226,000	\$330,166,100	\$299,083,000	\$33,209,000	\$332,292,000
State	32,436,600	40,857,600	13,890,400	33,209,000	47,099,400
Federal	314,124,400	281,097,400	273,464,900	0	273,464,900
Other	10,665,000	8,211,100	11,727,700	0	11,727,700
345.50 Child Care Facilities Loan Program					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	83,700	88,000	88,600	0	88,600
Operational	247,000	100,400	17,200	0	17,200
Total	\$330,700	\$188,400	\$105,800	\$0	\$105,800
State	0	0	0	0	0
Federal	225,900	97,300	0	0	0
Other	104,800	91,100	105,800	0	105,800

Child Support

Tennessee's Child Support Program is administered by the Department of Human Services through contracts with district attorneys, private vendors, local governments and program staff. The Child Support Program, established in 1975 under Title IV-D of the Social Security Act, has implemented major changes as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Services provided include:

- Locating non-custodial parents
- Establishing paternity
- Establishing and enforcing financial and medical support orders
- Reviewing and adjusting support orders
- Collecting and distributing child support payments.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
345.13 Child Support					
Full-Time	149	139	196	0	196
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	149	139	196	0	196
Payroll	5,170,700	6,346,300	6,757,500	38,000	6,795,500
Operational	67,937,200	70,228,400	68,636,800	0	68,636,800
Total	\$73,107,900	\$76,574,700	\$75,394,300	\$38,000	\$75,432,300
State	15,172,800	15,357,700	15,013,900	12,900	15,026,800
Federal	29,578,800	40,246,500	38,208,600	25,100	38,233,700
Other	28,356,300	20,970,500	22,171,800	0	22,171,800

Rehabilitation Services

Rehabilitation Services seeks to alleviate barriers to employment and provide quality services to improve the conditions of persons with disabilities. The primary goal is to place disabled individuals into employment. The following services are provided:

- Vocational rehabilitation services including training, physical restoration, psychological services, counseling and guidance, job development, job placement, and follow-up
- Disability determination to ascertain whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the Social Security Administration
- Rehabilitation for the blind including:
 - (a) Training to promote independent living and adjustment to blindness
 - (b) Managing the Tennessee Blind Business Enterprises program allowing the visually impaired an opportunity to have useful employment as vending stand operators
 - (c) Vocational rehabilitation services for the blind and severely visually impaired.

In addition to the services listed above, Vocational Rehabilitation serves the severely disabled by operating a network of facilities including the Tennessee Rehabilitation Center at Smyrna (a

comprehensive residential rehabilitation facility) and eighteen Community Tennessee Rehabilitation Centers located throughout the state.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
345.70 Vocational Rehabilitation					
Full-Time	608	601	601	0	601
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	608	601	601	0	601
Payroll	21,986,900	22,870,100	23,351,200	0	23,351,200
Operational	59,150,700	52,008,300	50,575,900	0	50,575,900
Total	\$81,137,600	\$74,878,400	\$73,927,100	\$0	\$73,927,100
State	10,628,800	9,498,600	9,494,000	0	9,494,000
Federal	59,419,700	56,789,300	56,772,100	0	56,772,100
Other	11,089,100	8,590,500	7,661,000	0	7,661,000
345.71 Disability Determination					
Full-Time	423	479	479	0	479
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	423	479	479	0	479
Payroll	14,414,600	18,021,400	18,021,400	0	18,021,400
Operational	21,891,400	21,730,300	21,753,700	0	21,753,700
Total	\$36,306,000	\$39,751,700	\$39,775,100	\$0	\$39,775,100
State	0	0	0	0	0
Federal	35,166,400	38,175,900	38,275,100	0	38,275,100
Other	1,139,600	1,575,800	1,500,000	0	1,500,000
345.00 Department Total					
Full-Time	4,390	4,469	4,851	0	4,851
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,390	4,469	4,851	0	4,851
Payroll	168,040,200	187,259,900	191,896,900	38,000	191,934,900
Operational	1,429,964,500	1,425,017,200	1,373,532,800	80,091,700	1,453,624,500
Total	\$1,598,004,700	\$1,612,277,100	\$1,565,429,700	\$80,129,700	\$1,645,559,400
State	169,487,400	169,287,900	113,780,900	78,604,600	192,385,500
Federal	1,305,648,400	1,333,021,800	1,341,531,100	1,525,100	1,343,056,200
Other	122,868,900	109,967,400	110,117,700	0	110,117,700

Department of Children's Services

In cooperation with juvenile courts, the Department of Children's Services (DCS) provides timely, appropriate, and cost-effective services for children in state custody or at risk of entering state custody; to enable these children to reach their full potential as productive, competent, and healthy adults.

Administration

Administration provides internal support, leadership, and direction that leads to improved program performance and success in the ultimate goal of re-integration of children into the community. In addition to providing the usual administrative functions, this program also assists in compliance with departmental policies, the Tennessee Code Annotated, and the American Correctional Association standards.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
359.10 Administration					
Full-Time	444	503	485	8	493
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	444	503	485	8	493
Payroll	20,292,000	23,844,300	22,923,900	294,500	23,218,400
Operational	25,252,800	25,396,200	20,564,300	120,000	20,684,300
Total	\$45,544,800	\$49,240,500	\$43,488,200	\$414,500	\$43,902,700
State	25,949,200	25,106,800	22,345,200	251,300	22,596,500
Federal	16,763,100	7,750,700	7,207,300	18,900	7,226,200
Other	2,832,500	16,383,000	13,935,700	144,300	14,080,000

Family Support Services

Family Support Services provides services to children who are at risk of coming into state custody. These services are provided to children and families in order for children to successfully remain in their homes. Community involvement is increased through community-based programming such as family preservation. The department also works with juvenile courts to divert youth from incarceration by providing a variety of community-based prevention and intervention services. Some of the services provided include:

- Family preservation services
- Family resource centers
- Healthy Start services
- Child abuse prevention services
- Custody prevention grants to juvenile courts
- Intensive probation services
- Counseling and support
- Child abuse and neglect services.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
359.20 Family Support Services					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,651,800	39,424,900	37,987,100	650,000	38,637,100
Total	\$38,651,800	\$39,424,900	\$37,987,100	\$650,000	\$38,637,100
State	21,568,000	28,104,500	26,318,100	650,000	26,968,100
Federal	17,083,700	11,270,400	11,619,000	0	11,619,000
Other	100	50,000	50,000	0	50,000

Custody Services

Custody Services ensures children in state custody receive appropriate levels of treatment and care through services provided to children and their families. The goal of this program is to provide needed residential care to children in state custody within a reasonable distance from a child's home and return them home as soon as is appropriate. If a child does not have a home or family to which they can return, then permanent care is provided. The types of services provided include:

- Foster care homes
- Residential treatment programs
- Mental retardation developmental center services
- Psychiatric hospital services
- Counseling and support services.

359.30 Custody Services

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	203,142,800	218,629,400	218,629,400	517,800	219,147,200
Total	\$203,142,800	\$218,629,400	\$218,629,400	\$517,800	\$219,147,200
State	79,826,600	86,284,500	84,898,100	349,000	85,247,100
Federal	26,262,600	30,466,500	30,466,500	168,800	30,635,300
Other	97,053,600	101,878,400	103,264,800	0	103,264,800

Adoption Services

Adoption Services provides assistance to adopted special needs children and their families. Monthly support payments are provided to assist families in adopting and caring for children with special needs. Treatment and support services are also made available as determined by the special needs of each adopted child.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
359.40 Adoption Services					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	27,910,800	31,657,400	31,724,500	4,630,000	36,354,500
Total	\$27,910,800	\$31,657,400	\$31,724,500	\$4,630,000	\$36,354,500
State	13,591,500	16,179,100	16,179,100	2,147,100	18,326,200
Federal	13,619,300	15,101,800	15,468,900	2,482,900	17,951,800
Other	700,000	376,500	76,500	0	76,500

Child and Family Management

Child and Family Management provides case management services to children and their families in the most appropriate and timely manner to meet identified intervention, treatment, and placement needs. Case management services consist of assessment of needs, individual case planning and management, and evaluation services. Case management services are provided primarily through DCS staff and through contracts with community services agencies. Case management support is provided through the Regional Services Administration, child and family teams, resource management, and court liaisons. Services provided include:

- Residential case management
- Probation case management
- Child protective case management
- Adoption case management
- Crisis intervention services.

359.50 Child and Family Management

Full-Time	2,636	2,669	2,669	15	2,684
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,636	2,669	2,669	15	2,684
Payroll	93,533,600	100,520,900	100,520,900	540,100	101,061,000
Operational	55,581,400	59,903,900	58,587,700	291,600	58,879,300
Total	\$149,115,000	\$160,424,800	\$159,108,600	\$831,700	\$159,940,300
State	64,058,200	57,042,400	57,420,000	657,900	58,077,900
Federal	21,439,500	29,107,800	29,090,100	17,100	29,107,200
Other	63,617,300	74,274,600	72,598,500	156,700	72,755,200

Youth Development Centers

Youth Development Centers provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. The Wilder, Woodland Hills, and Mountain View facilities are the three regional youth development centers. Juveniles who are convicted of adult crimes, serious delinquent offenses, or have demonstrated major behavior problems at other institutions are placed at Taft Youth Development Center. These

institutions assess and properly care for the needs of juveniles while offering counseling and educational services. Services provided include:

- Drug and alcohol abuse treatment
- Sex abuse/sex offender treatment
- Parental responsibility counseling
- Academic education
- General educational development
- Work/study programs
- Special education
- Abuse victimization counseling
- Family counseling
- Medical care
- Remedial reading and math
- Adult basic education
- Vocational training.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
359.60 John S. Wilder Youth Development Center					
Full-Time	182	182	182	0	182
Part-Time	0	2	2	0	2
Seasonal	0	0	0	0	0
Total	182	184	184	0	184
Payroll	6,672,200	7,484,400	7,484,400	14,500	7,498,900
Operational	1,542,700	2,079,800	2,074,700	0	2,074,700
Total	\$8,214,900	\$9,564,200	\$9,559,100	\$14,500	\$9,573,600
State	7,923,300	9,253,400	9,290,100	14,500	9,304,600
Federal	0	0	0	0	0
Other	291,600	310,800	269,000	0	269,000
359.61 Taft Youth Development Center					
Full-Time	234	234	210	0	210
Part-Time	0	2	1	0	1
Seasonal	0	0	0	0	0
Total	234	236	211	0	211
Payroll	9,091,600	9,682,500	8,600,900	4,300	8,605,200
Operational	2,001,400	2,423,400	2,059,700	0	2,059,700
Total	\$11,093,000	\$12,105,900	\$10,660,600	\$4,300	\$10,664,900
State	10,636,400	11,647,300	10,228,000	4,300	10,232,300
Federal	0	0	0	0	0
Other	456,600	458,600	432,600	0	432,600
359.62 Woodland Hills Youth Development Center					
Full-Time	183	183	183	0	183
Part-Time	0	2	2	0	2
Seasonal	0	0	0	0	0
Total	183	185	185	0	185
Payroll	7,282,000	7,723,700	7,723,700	13,700	7,737,400
Operational	1,997,700	2,436,200	2,206,600	0	2,206,600
Total	\$9,279,700	\$10,159,900	\$9,930,300	\$13,700	\$9,944,000
State	8,781,400	9,669,800	9,621,400	13,700	9,635,100
Federal	0	0	0	0	0
Other	498,300	490,100	308,900	0	308,900

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
359.63 Mountain View Youth Development Center					
Full-Time	196	196	190	0	190
Part-Time	0	2	2	0	2
Seasonal	0	0	0	0	0
Total	196	198	192	0	192
Payroll	6,833,600	7,606,400	7,415,300	16,200	7,431,500
Operational	2,362,800	2,748,400	2,744,400	0	2,744,400
Total	\$9,196,400	\$10,354,800	\$10,159,700	\$16,200	\$10,175,900
State	8,908,300	10,057,000	9,913,900	16,200	9,930,100
Federal	0	0	0	0	0
Other	288,100	297,800	245,800	0	245,800

359.64 Secure Female Facility

Full-Time	0	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	67	67	0	67
Payroll	0	1,281,100	1,281,100	881,100	2,162,200
Operational	0	527,100	527,100	202,200	729,300
Total	\$0	\$1,808,200	\$1,808,200	\$1,083,300	\$2,891,500
State	0	1,808,200	1,808,200	1,024,900	2,833,100
Federal	0	0	0	0	0
Other	0	0	0	58,400	58,400

Community Treatment Facilities

DCS operates 13 group home facilities located across the state which provide minimum security residential programs for youth who have been evaluated and determined appropriate for community placement. The primary focus is to reintegrate the youth into their home community by providing a structured program of academics, community involvement, counseling services, education, and often work experience. Two specialty programs are also provided by DCS. The Observation and Assessment Center in Johnson City provides area juvenile courts with detailed assessments prior to disposition. Lift Academy, a joint effort between DCS and the Carter and Johnson County School Systems, provides a day treatment/alternative school program to divert youth from state custody.

359.65 Community Treatment Facilities

Full-Time	194	197	194	0	194
Part-Time	0	52	51	0	51
Seasonal	0	0	0	0	0
Total	194	249	245	0	245
Payroll	7,190,400	7,768,700	7,626,000	4,700	7,630,700
Operational	2,427,700	2,420,100	2,409,800	0	2,409,800
Total	\$9,618,100	\$10,188,800	\$10,035,800	\$4,700	\$10,040,500
State	7,057,400	7,163,100	7,001,900	4,700	7,006,600
Federal	600	0	0	0	0
Other	2,560,100	3,025,700	3,033,900	0	3,033,900

Tennessee Preparatory School

Tennessee Preparatory School was a residential school that housed and educated children who were dependent, neglected, or in danger of becoming delinquent. Students were referred by Juvenile Court Judges in their home counties. Programs include:

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
359.70 Tennessee Preparatory School					
Full-Time	174	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	174	21	21	0	21
Payroll	3,446,200	776,100	776,100	0	776,100
Operational	1,281,900	1,159,300	1,159,300	0	1,159,300
Total	\$4,728,100	\$1,935,400	\$1,935,400	\$0	\$1,935,400
State	4,424,700	1,846,100	1,664,100	0	1,664,100
Federal	0	0	0	0	0
Other	303,400	89,300	271,300	0	271,300
359.80 Major Maintenance					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	425,600	420,100	420,100	0	420,100
Total	\$425,600	\$420,100	\$420,100	\$0	\$420,100
State	424,000	420,100	420,100	0	420,100
Federal	0	0	0	0	0
Other	1,600	0	0	0	0
359.00 Department Total					
Full-Time	4,243	4,252	4,201	23	4,224
Part-Time	0	60	58	0	58
Seasonal	0	0	0	0	0
Total	4,243	4,312	4,259	23	4,282
Payroll	154,341,600	166,688,100	164,352,300	1,769,100	166,121,400
Operational	362,579,400	389,226,200	381,094,700	6,411,600	387,506,300
Total	\$516,921,000	\$555,914,300	\$545,447,000	\$8,180,700	\$553,627,700
State	253,149,000	264,582,300	257,108,200	5,133,600	262,241,800
Federal	95,168,800	93,697,200	93,851,800	2,687,700	96,539,500
Other	168,603,200	197,634,800	194,487,000	359,400	194,846,400

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	Total
Annual Admissions					
1997-1998	274	265	241	308	1,088
1998-1999	257	230	227	257	971
1999-2000	254	225	215	309	1,003
2000-2001	237	267	210	288	1,002
2001-2002	203	196	191	252	842
2002-2003	246	150	184	222	802
2003-2004	230	200	190	300	920
2004-2005	230	150	190	300	870
Annual Releases					
1997-1998	280	266	219	333	1,098
1998-1999	259	250	207	337	1,053
1999-2000	267	224	194	299	984
2000-2001	231	233	162	278	904
2001-2002	201	234	122	279	836
2002-2003	258	151	186	291	886
2003-2004	242	150	130	290	812
2004-2005	242	150	130	290	812
Average Daily Census					
1997-1998	139	146	140	143	568
1998-1999	129	126	143	143	541
1999-2000	135	138	142	138	553
2000-2001	128	133	144	138	543
2001-2002	138	129	141	141	549
2002-2003	116	106	141	125	488
2003-2004	144	177	144	144	609
2004-2005	144	177	144	144	609
Cost Per Occupancy Day *					
1997-1998	\$127.66	\$158.23	\$145.21	\$139.29	\$142.77
1998-1999	\$148.84	\$191.65	\$142.48	\$136.08	\$153.76
1999-2000	\$145.78	\$186.34	\$148.93	\$148.44	\$157.38
2000-2001	\$155.57	\$211.75	\$162.54	\$162.57	\$172.96
2001-2002	\$153.46	\$224.36	\$172.97	\$167.55	\$178.75
2002-2003	\$194.02	\$286.71	\$180.31	\$201.56	\$212.13
2003-2004	\$181.47	\$186.87	\$192.77	\$196.47	\$189.26
2004-2005	\$182.15	\$165.08	\$189.19	\$193.61	\$181.56

* Last column indicates average cost per day for all institutions.

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
316.01 Commission on Children and Youth			
316.01 Commission on Children and Youth			
Program Information			
Objective: Conduct case reviews of children in state custody.			
Quantity or Quality: Number of children reviewed.	571	277	550
Objective: Prepare legislative reports, weekly updates, and a legislative summary.			
Quantity or Quality: Number of reports / updates / summary.	17 / 17 / 1	17 / 17 / 1	17 / 17 / 1
Objective: Develop and disseminate commission positions on pending legislation.			
Quantity or Quality: Number of bills with commission positions.	32	25	25
Objective: Publish annual results of the Children's Program Outcome Review Team.			
Quantity or Quality: Number of publications / copies.	1 / 1,200	1 / 1,000	1 / 1,000
Objective: Administer Court Appointed Special Advocate (CASA) contracts.			
Quantity or Quality: Number of children served through CASA contracts.	4,117	4,150	4,200
Objective: Make presentations on children's issues.			
Quantity or Quality: Number of presentations by commission staff.	36	40	42
Objective: Monitor secure juvenile detention facilities, temporary holding resources, jails and lockups.			
Quantity or Quality: Number of facilities monitored / number of monitoring visits.	143 / 455	141 / 450	141 / 450
Objective: Print and distribute 'Tennessee's Compilaton of Selected Laws on Children, Youth and Families'.			
Quantity or Quality: Number of editions / copies.	1 / 2,000	1 / 2,000	1 / 2,000
Objective: Provide ombudsman mediation services.			
Quantity or Quality: Number of referrals.	281	285	285
Objective: Provide ombudsman mediation services.			
Quantity or Quality: Number of training sessions conducted.	7	8	8

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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316.02 Commission on Aging and Disability

316.02 Commission on Aging and Disability

Performance Information

Standard: Provide preventive health, nutrition, education, and community supportive services to persons age 60 and over.

Measure: Unduplicated number of older people receiving preventive health, nutrition, education and community supportive services.

	117,385	120,000	120,000
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Standard: Provide services to caregivers of older persons and to older persons caring for minor relatives.

Measure: Number of caregivers receiving information, counseling, respite and supplemental services.

	5,458	10,000	10,000
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Standard: Provide home and community based long-term care services to older individuals and adults with disabilities who do not qualify for Medicaid long-term care services.

Measure: Unduplicated number of older individuals and adults with disabilities receiving (Non-Medicaid) Home and Community Based Long-Term Care Services.

	2,280	2,500	2,500
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Standard: Provide home and community based long-term care services to older individuals and adults with disabilities who qualify for Medicaid long-term care services.

Measure: Unduplicated number of older individuals and adults with disabilities receiving Medicaid covered Home and Community Based Long-Term Care Services.

	0	2,851	2,851
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Standard: Provide Guardianship services to older persons who have been adjudicated incompetent and who have no family or friends to manage their affairs.

Measure: Unduplicated number of older incapacitated individuals receiving Guardianship services.

	405	425	425
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Standard: Make a range of respite services available to Alzheimer's patients and their families (three year demonstration grant ending on June 30, 2004).

Measure: Unduplicated number of Alzheimer's families receiving respite services.

	213	225	0
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Program Information

Objective: Provide nutrition and in-home services to elderly clients.

Quantity or Quality: Unduplicated number of clients.

	34,942	35,000	36,000
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Objective: Provide services through the Older Americans Act grant funds.

Quantity or Quality: Unduplicated number of clients.

	108,000	109,000	109,000
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Objective: Provide information and assistance.

Quantity or Quality: Number of calls received.

	17,193	17,500	17,500
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Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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316.07 Health Services and Development Agency

316.07 Health Services and Development Agency

Program Information

Objective: Review contested certificate of need cases either through the agency or an administrative law judge.

Quantity or Quality: Number of contested cases.

	10	15	15
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Objective: Conduct progress reviews on any project covered by an issued certificate of need.

Quantity or Quality: Number of progress reviews submitted.

	68	68	68
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Objective: Review certificate of need applications.

Quantity or Quality: Number of applications reviewed.

	101	150	150
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Objective: Register change of ownership of a health care institution occurring within two years of the date of initial licensure.

Quantity or Quality: Number of ownership changes registered.

	5	10	10
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316.10 Council of Juvenile and Family Court Judges

316.10 Council of Juvenile and Family Court Judges

Performance Information

Standard: Provide training to juvenile court judiciary and court staff.

Measure: Number of participants.

	364	360	360
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Standard: All courts will report statistical data to this agency pursuant to law.

Measure: Percentage of courts reporting.

	100%	100%	100%
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Standard: Provide information and technical support to all juvenile courts.

Measure: Percentage of courts receiving information and technical support.

	100%	100%	100%
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Program Information

Objective: Provide training to juvenile justice professionals.

Quantity or Quality: Number of participants.

	162	160	160
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Objective: Conduct hearings of the Judicial Review Panel to resolve disputes between a juvenile court and the Department of Children's Services pursuant to law.

Quantity or Quality: Number of review hearings.

	0	2	2
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Objective: Process data in the Juvenile Court Information System.

Quantity or Quality: Number of records processed.

	122,872	130,000	140,000
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Health and Social Services

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Host judicial education conferences. Quantity or Quality: Number of participants.	200	200	200
Objective: Provide information and assistance with regard to juvenile court issues. Quantity or Quality: Number of requests.	250	250	250
Objective: Train new juvenile court employees. Quantity or Quality: Number of participants.	29	27	25
Objective: Respond to requests for information regarding legislation related to juvenile law, juvenile court jurisdiction, and services to children and families. Quantity or Quality: Number of requests.	100	100	100
Objective: Review all bills/resolutions. Quantity or Quality: Number of bills/resolutions reviewed.	2,051	2,100	2,100
Objective: Provide technical assistance to courts. Quantity or Quality: Number of times provided.	150	185	250

318.00 Finance and Administration - TennCare Program

318.65 TennCare Administration

Performance Information

Standard: Send reverification notices to TennCare population. Measure: Percentage of TennCare individuals sent notices.	99.6%	100.0%	100.0%
Standard: Implement a Preferred Drug List to control costs. Measure: Percentage of compliance with the Preferred Drug List.	0%	90%	92%

318.66 TennCare Services

Performance Information

Standard: Increase overall Managed Care Organizations' ratings through External Quality Review Organization (EQRO) study. Measure: Number of MCO/BHOs with a two star or above rating.	12	10	12
Standard: Increase customer (enrollee) satisfaction as reported by the University of Tennessee's annual survey. Measure: Overall customer satisfaction results reported.	85%	87%	87%

Health and Social Services

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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Program Information

Objective: Provide increased dental screenings to children.

Quantity or Quality: Number of TennCare eligible children receiving dental screenings through the local health departments.

102,753	110,000	111,000
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318.67 Waiver and Crossover Services

Performance Information

Standard: Within the Home and Community Based Pilot waivers, reduce repeat audit findings.

Measure: Repeat audit findings for Home and Community Based Pilot waivers.

5	0	0
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Standard: Complete the field pilot of new Quality Assurance Process to monitor Mental Retardation provider quality.

Measure: Complete field review of all 10 sections of new Quality Assurance Process.

0 sections	10 sections	10 sections
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Program Information

Objective: Provide home and community based services options to institutional care.

Quantity or Quality: Number of individuals enrolled in the statewide Home and Community Based waiver.

0	2,851	2,851
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318.68 Long Term Care Services

Performance Information

Standard: Complete all reviews of Pre-Admission Evaluations (PAE) within eight days.

Measure: Percentage of Pre-Admission Evaluations completed within eight days.

100%	100%	100%
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Standard: Reduce current backlog of nursing home appeals.

Measure: Number of current nursing home appeals which are backlogged.

20	15	12
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339.00 Mental Health and Developmental Disabilities

339.01 Administrative Services Division

Performance Information

Standard: The cost of the Administrative Services Division as a percentage of total departmental costs will not exceed 7%.

Measure: The cost of the Administrative Services Division as a percentage of total departmental cost.

5.5%	5.3%	5.3%
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Program Information

Objective: Provide administrative support and clinical oversight of the TennCare Partners program.

Quantity or Quality: Number of customers served.

1,351,401	1,257,300	1,300,000
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Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
339.05 Mental Health Services Administration			
Performance Information			
Standard: Mental Health Services administrative staff applies for grants which provide mental health services for adults with severe and persistent mental illness and children with serious emotional disturbance.			
Measure: The number of grant applications submitted.			
	8	9	11
339.08 Community Mental Health Services			
Performance Information			
Standard: Increase the number of grantees meeting program criteria on initial monitoring review.			
Measure: The percentage of grantees achieving contract compliance.			
	76%	78%	80%
Standard: Grantees not meeting program criteria will submit corrective action plans.			
Measure: The percentage of grantees submitting a corrective action plan.			
	82%	90%	95%
Program Information			
Objective: Provide high quality community mental health services.			
Quantity or Quality: Number of customers served.			
	115,500	230,500	231,500
339.10 Lakeshore Mental Health Institute			
Performance Information			
Standard: The average cost per day inflation will not exceed 100% of the Consumer Price Index (CPI) Inpatient Hospital Inflation Rate.			
Measure: Cost per day inflation as a percentage of the CPI Inpatient Hospital Inflation Rate.			
	-80.0%	58.3%	<100.0%
Standard: The average daily occupancy at LMHI will be less than 105% of suitable accommodations. Suitable accommodations means having a specified percentage of operational beds vacant and available for use.			
Measure: Average daily occupancy of suitable accommodations.			
	92.6%	92.6%	<105.0%
Program Information			
Objective: Provide overall leadership and direction for the provision of mental health services.			
Quantity or Quality: Number of customers served.			
	3,058	3,212	3,212
Objective: Provide high quality inpatient mental health services.			
Quantity or Quality: Days of inpatient care provided.			
	63,758	68,255	68,255
Objective: Provide high quality inpatient mental health services.			
Quantity or Quality: Number of admissions.			
	2,894	3,097	3,097

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
339.11 Middle Tennessee Mental Health Institute			
Performance Information			
Standard: The average cost per day inflation will not exceed 100% of the Consumer Price Index (CPI) Inpatient Hospital Inflation Rate.			
Measure: Cost per day inflation as a percentage of the CPI Inpatient Hospital Inflation Rate.			
	83.3%	83.3%	<100.0%
Standard: The average daily occupancy at MTMHI will be less than 105% of suitable accommodations. Suitable accommodations means having a specified percentage of operational beds vacant and, therefore, available for use.			
Measure: Average daily occupancy of suitable accommodations.			
	100.7%	100.7%	<105.0%
Program Information			
Objective: Provide overall leadership and direction for the provision of mental health services.			
Quantity or Quality: Number of customers served.			
	4,044	3,923	3,923
Objective: Provide high quality inpatient mental health services.			
Quantity or Quality: Days of inpatient care provided.			
	100,959	100,010	100,010
Objective: Provide high quality inpatient mental health services.			
Quantity or Quality: Number of admissions.			
	3,762	3,635	3,635
339.12 Western Mental Health Institute			
Performance Information			
Standard: The average cost per day inflation will not exceed 100% of the Consumer Price Index (CPI) Inpatient Hospital Inflation Rate.			
Measure: Cost per day inflation as a percentage of the CPI Inpatient Hospital Inflation Rate.			
	93.3%	93.3%	<100.0%
Standard: The average daily occupancy at WMHI will be less than 105% of suitable accommodations. Suitable accommodations means having a specified percentage of operational beds vacant and available for use.			
Measure: Average daily occupancy of suitable accommodations.			
	104.5%	104.5%	<105.0%
Program Information			
Objective: Provide high quality inpatient mental health services.			
Quantity or Quality: Number of admissions.			
	2,333	2,350	2,350
Objective: Provide high quality inpatient mental health services.			
Quantity or Quality: Days of inpatient care provided.			
	93,854	93,805	93,805
Objective: Provide overall leadership and direction for the provision of mental health services.			
Quantity or Quality: Number of customers served.			
	2,576	2,626	2,626

Health and Social Services

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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339.16 Moccasin Bend Mental Health Institute

Performance Information

Standard: The average cost per day inflation will not exceed 100% of the Consumer Price Index (CPI) Inpatient Hospital Inflation Rate.

Measure: Cost per day inflation as a percentage of the CPI Inpatient Hospital Inflation Rate.

	101.7%	83.0%	<100.0%
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Standard: The average daily occupancy at MBMHI will be less than 105% of suitable accommodations. Suitable accommodations means having a specified percentage of operational beds vacant, and, therefore, available for use.

Measure: Average daily occupancy of suitable accommodations.

	90.1%	90.1%	<105.0%
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Program Information

Objective: Provide overall leadership and direction for the provision of mental health services.

Quantity or Quality: Number of customers served.

	3,888	4,180	4,180
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Objective: Provide high quality inpatient mental health services.

Quantity or Quality: Days of inpatient care provided.

	55,323	62,065	62,065
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Objective: Provide high quality inpatient mental health services.

Quantity or Quality: Number of admissions.

	3,888	4,215	4,215
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339.17 Memphis Mental Health Institute

Performance Information

Standard: The average daily occupancy at MMHI will be less than 105% of suitable accommodations. Suitable accommodations means having a specified percentage of operational beds vacant, and therefore, available for use.

Measure: Average daily occupancy of suitable accommodations.

	98%	98%	<105%
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Standard: The average cost per day inflation will not exceed 100% of the Consumer Price Index (CPI) Inpatient Hospital Inflation Rate.

Measure: Cost per day inflation as a percentage of the CPI Inpatient Hospital Inflation Rate.

	-16.7%	71.7%	<100.0%
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Program Information

Objective: Provide high quality inpatient mental health services.

Quantity or Quality: Days of inpatient care provided.

	35,280	37,000	37,000
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Objective: Provide overall leadership and direction for the provision of mental health services.

Quantity or Quality: Number of customers served.

	1,606	1,650	1,650
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Objective: Provide high quality inpatient mental health services.

Quantity or Quality: Number of admissions.

	1,606	1,650	1,650
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Health and Social Services

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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339.40 Major Maintenance

Performance Information

Standard: All regional mental health institutes will comply with licensure rules, meet accreditation standards and be accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

Measure: Percentage of Regional Mental Health Institutes that pass JCAHO inspection survey on first review.

100%	100%	100%
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Standard: Cost of major maintenance will be no more than \$0.21 per square foot.

Measure: Major maintenance cost per square foot.

\$0.25	\$0.21	Not more than \$0.21
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Program Information

Objective: Keep facilities maintained and in compliance with health/safety/life standards.

Quantity or Quality: Number of projects completed.

23	25	25
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339.21 F&A - Mental Retardation Division

339.21 Mental Retardation Administration

Performance Information

Standard: Provide oversight and coordination of division activities in the most cost-effective manner.

Measure: Administrative costs as a percent of total program costs.

6.47%	6.39%	6.35%
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339.22 Developmental Disabilities Council

Program Information

Objective: Support initiatives established by the council in the following areas: education, housing, employment, child care, community supports, quality assurance, and transportation.

Quantity or Quality: Number of grants to community agencies.

20	20	20
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339.23 Community Mental Retardation Services

Performance Information

Standard: Provide community mental retardation services while providing the highest level of health and safety assurances as possible.

Measure: Number of individuals served.

12,500	12,900	15,975
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343.00 Health

343.01 Executive Administration

Performance Information

Standard: Maintain the percentage of Executive Administration's actual cost to total department cost.

Measure: Executive Administration's cost as a percent of total department cost.

1.16%	1.16%	1.16%
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Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
343.03 Administrative Services			
Performance Information			
Standard: Maintain the percentage of Administrative Service's actual cost to total department cost.			
Measure: Administrative Service's cost as a percent of total department cost.			
	0.78%	0.78%	0.78%
343.04 Division of Technology			
Performance Information			
Standard: Maintain the percentage of Information Systems' actual cost to total department cost.			
Measure: Information Systems' cost as a percent of total department cost.			
	0.71%	0.71%	0.71%
343.05 Bureau of Health Licensure and Regulation			
Performance Information			
Standard: Conduct all required licensure and certification surveys within department guidelines.			
Measure: Percentage of licensure and certification surveys completed.			
	100%	100%	100%
Standard: Investigate all complaints relative to health care facilities within department guidelines.			
Measure: Percentage of complaints investigated.			
	100%	100%	100%
343.07 Emergency Medical Services			
Performance Information			
Standard: License all ambulances and emergency service entities required by law and within department guidelines.			
Measure: Percentage of ambulances and emergency service entities certified.			
	100%	100%	100%
Standard: License all emergency medical service personnel required by law and within department guidelines.			
Measure: Percentage of emergency medical service personnel licensed.			
	100%	100%	100%
343.08 Laboratory Services			
Performance Information			
Standard: Conduct microbiological lab tests in accordance with department guidelines.			
Measure: Number of microbiological lab tests.			
	460,000	475,000	475,000
Standard: Conduct organic analysis in accordance with department guidelines.			
Measure: Number of organic analyses.			
	38,000	39,988	41,000
Standard: Conduct inorganic analysis in accordance with department guidelines.			
Measure: Number of inorganic analyses.			
	68,500	72,177	73,500

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
343.10 Health Related Boards			
Performance Information			
Standard: Investigate all complaints against health care professionals in accordance with department guidelines.			
Measure: Percentage of complaints against health care professionals investigated.	100%	100%	100%
343.20 Policy Planning and Assessment			
Performance Information			
Standard: Respond timely to all routine requests for vital records.			
Measure: Response days for routine requests for vital records.	4	4	4
Program Information			
Objective: Respond timely to all routine requests.			
Quantity or Quality: Response days for routine manpower requests.	4	4	4
Objective: Respond timely to all routine requests.			
Quantity or Quality: Response days for routine requests for vital statistics.	5	4	4
Objective: Respond timely to all routine requests.			
Quantity or Quality: Response days for routine requests for hospital discharge information.	5	5	5
343.39 General Environmental Health			
Performance Information			
Standard: Maintain or increase the number of rabies vaccinations.			
Measure: Number of rabies vaccinations.	964,641	950,000	950,000
Standard: Inspect all required establishments for compliance with sanitation laws in accordance with department guidelines.			
Measure: Percentage of required establishments inspected for compliance with sanitation laws.	100%	100%	100%
Program Information			
Objective: Increase sanitation level scores.			
Quantity or Quality: Sanitation level scores.	87.7	88.0	88.0
343.44 Alcohol and Drug Abuse Services			
Performance Information			
Standard: Offer in-patient treatment for people that need treatment.			
Measure: Number of bed-days for treatment services.	301,870	350,000	350,000
Program Information			
Objective: Promote drug free lifestyles.			
Quantity or Quality: Number of programs.	247	250	250

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
343.45 Health Services Administration			
Performance Information			
Standard: Maintain the percentage of Health Services Administration's cost relative to the total cost of health services provided.			
Measure: Health Services Administration's actual cost as a percentage of the total cost of health services.	1.38%	1.38%	1.38%
343.47 Maternal and Child Health			
Performance Information			
Standard: Provide health services to children.			
Measure: Number of children receiving health services.	330,003	335,000	340,000
Standard: Provide family planning services to individuals.			
Measure: Number of individuals receiving family planning services.	116,446	116,500	117,000
Standard: Provide newborn screenings for genetic disorders.			
Measure: Number of newborns screened for genetic disorders.	77,434	78,000	79,000
Standard: Address health disparity cases.			
Measure: Number of health disparity cases managed.	965	975	1,000
Standard: Provide Healthy Start services to families.			
Measure: Number of families served by Healthy Start.	1,700	1,700	1,700
Standard: Provide comprehensive medical care services to special needs children.			
Measure: Number of special needs children receiving comprehensive medical care services.	6,244	6,400	6,450
Program Information			
Objective: Provide genetic screening.			
Quantity or Quality: Number of individuals served.	11,765	12,500	12,500
Objective: Provide sickle cell screening.			
Quantity or Quality: Number of individuals served.	1,121	1,200	1,200
343.49 Communicable and Environmental Disease Services			
Performance Information			
Standard: Provide immunization to the public.			
Measure: Number of immunization doses provided.	1,100,845	1,157,677	1,166,940
Standard: Test, diagnose, and treat individuals for sexually transmitted diseases.			
Measure: Number of individuals tested, diagnosed, and treated for sexually transmitted diseases.	200,000	204,000	208,000

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Test, diagnose, and treat individuals for tuberculosis.			
Measure: Number of individuals tested, diagnosed, and treated for tuberculosis.	180,600	234,000	265,000
Standard: Test, diagnose, and treat individuals for HIV/AIDS.			
Measure: Number of individuals tested, diagnosed, and treated for HIV/AIDS.	100,000	110,000	121,000

Program Information

Objective: Provide disease prevention services.			
Quantity or Quality: Number of health consultations and investigations.	30,000	30,000	30,000
Objective: Provide support for emerging infections.			
Quantity or Quality: Number of health departments supported.	11	11	11

343.52 Population-Based Services

Performance Information

Standard: Provide chronic renal services to the public.			
Measure: Number of persons receiving chronic renal services.	1,300	1,375	1,400
Standard: Provide hemophilia services to the public.			
Measure: Number of persons receiving hemophilia services.	300	350	400
Standard: Provide dental treatment services to the public.			
Measure: Number of persons receiving dental treatment services.	32,000	34,000	36,000
Standard: Provide nutrition education services to the public.			
Measure: Number of patients receiving nutrition education services.	43,921	30,000	35,000

Program Information

Objective: Reimburse pathologists for autopsies.			
Quantity or Quality: Number of autopsies paid.	2,255	2,500	2,500
Objective: Provide prevention services for chronic renal disease.			
Quantity or Quality: Number of health consultations and investigations.	200	210	210
Objective: Provide medical care.			
Quantity or Quality: Number of patient encounters.	11,400	15,000	15,000
Objective: Disseminate information.			
Quantity or Quality: Number of clients served.	600	650	650
Objective: Expand primary care.			
Quantity or Quality: Number of providers recruited.	20	38	38

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Establish community programs.			
Quantity or Quality: Number of programs established.	11	13	13
Objective: Provide prevention services for hemophilia.			
Quantity or Quality: Number of clinics funded.	5	5	5
343.53 Women, Infants, and Children (WIC)			
Performance Information			
Standard: Provide WIC services to the targeted population.			
Measure: Number of people receiving WIC services.	152,908	154,900	155,500
Program Information			
Objective: Provide supplemental foods.			
Quantity or Quality: Participant caseload level.	15,606	17,100	16,200
343.60 Local Health Services			
Performance Information			
Standard: Provide TennCare enrollees community support services.			
Measure: Number of TennCare enrollees receiving community support services.	610,000	615,000	625,000
Program Information			
Objective: Deliver public health services in the metropolitan areas.			
Quantity or Quality: Number of unduplicated patients.	335,591	340,000	340,000
Objective: Provide intake and referral services.			
Quantity or Quality: Number of patients served.	500	500	500
Objective: Provide nutrition services.			
Quantity or Quality: Number of patient visits.	20,000	20,000	20,000
Objective: Provide care coordination services.			
Quantity or Quality: Number of children served.	6,144	6,300	6,300
Objective: Provide women's health services.			
Quantity or Quality: Number of women served.	18,135	18,500	18,500
Objective: Reduce incidence of disease.			
Quantity or Quality: Number of clients served through education activities.	185,000	185,000	185,000
Objective: Improve networks for response to bioterrorism/epidemiological threats.			
Quantity or Quality: Number of training sessions/speaking engagements.	10	10	10

Health and Social Services Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Deliver public health services in rural areas. Quantity or Quality: Number of unduplicated patients.	469,005	475,000	475,000
Objective: Provide community education outreach. Quantity or Quality: Number of individuals served.	66,564	66,000	66,000
Objective: Provide prevention information and education. Quantity or Quality: Number of children served.	127,000	135,000	135,000
Objective: Reduce incidence of injury. Quantity or Quality: Number of clients served through education activities.	100,000	100,000	100,000
Objective: Provide Parents Encouraging Parents (PEP) Family Support. Quantity or Quality: Number of new referrals.	749	500	500
Objective: Ensure statewide lab capacity. Quantity or Quality: Number of labs with biosafety level three equipment.	3	3	3

345.00 Human Services

Performance Information

Standard: See preceding Performance Budget Tab, the last tab in the A-numbered pages.

Measure: See preceding Performance Budget Tab.

345.01 Administration

Program Information

Objective: Respond to hotline complaints received by the Comptroller's Office. Quantity or Quality: Number of complaints investigated.	33	35	35
Objective: Hold appeal hearings for many programs in the Department. Quantity or Quality: Number of appeal hearings.	6,800	8,000	9,000

345.13 Child Support

Program Information

Objective: Distribute IV-D child support collections. Quantity or Quality: Dollar amount of IV-D child support collections distributed.	\$361,573,000	\$397,730,000	\$437,503,000
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345.49 Community Services

Program Information

Objective: Reduce the risk of harm to vulnerable adults. Quantity or Quality: Number of adult protective services reports investigated.	6,500	6,700	6,900
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Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Provide services to the homeless.			
Quantity or Quality: Number of individuals served.	31,400	32,000	32,000
Objective: Provide energy assistance services.			
Quantity or Quality: Number of households assisted for cooling.	8,200	8,400	8,400
Objective: Provide energy assistance services.			
Quantity or Quality: Number of households assisted for heating.	81,500	85,000	85,000
Objective: Provide weatherization assistance.			
Quantity or Quality: Number of dwelling units served.	1,900	2,200	2,400

345.70 Vocational Rehabilitation

Program Information

Objective: Provide vocational rehabilitation services.			
Quantity or Quality: Number of individuals receiving services.	4,000	4,300	4,800
Objective: Meet casework standards at the Tennessee Rehabilitation Center in Smyrna.			
Quantity or Quality: Number of individuals receiving services.	1,500	1,200	1,300
Objective: Meet casework standards for the Independent Living Program.			
Quantity or Quality: Number of individuals receiving services.	900	900	900

345.71 Disability Determination

Program Information

Objective: Maintain a trained workforce to determine eligibility of disability applicants.			
Quantity or Quality: Number of cases processed per examiner. Note estimated year reflects an improvement of 56 positions.	302	285	290
Objective: Efficiently determine eligibility of disability applicants. Note estimated year reflects an improvement of 56 positions.			
Quantity or Quality: Costs of processing each case.	\$314	\$335	\$325

359.00 Children's Services

359.10 Administration

Performance Information

Standard: Travel claims will be processed accurately within 10 business days of receipt.			
Measure: Percentage of travel claims processed accurately within 10 business days of receipt.	Not Available	75%	75%

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Legal staff will file Termination of Parental Rights petitions in a timely manner.			
Measure: Percentage of children with a sole goal of adoption who had a petition to terminate parental rights filed within 3 months.	Not Available	60%	60%

359.20 Family Support Services

Performance Information

Standard: Children being served by Family Support Services (FSS) program will not come into state custody.			
Measure: Percentage of children that do not come into care while the FSS program is providing services to the family.	90%	90%	90%
Standard: Youth that are served through the Family Crisis Intervention Program (FCIP) will not come into custody.			
Measure: Percentage of youth served through FCIP that do not come into care at the completion of the program.	97%	97%	97%

Program Information

Objective: Increase the number of relative caregivers who are provided information and support by the program.			
Quantity or Quality: The number of additional children in care of relatives who received services through the caregivers program	1,653	1,653	1,653
Objective: Reduce the number of delinquent commitments.			
Quantity or Quality: The number of youth adjudicated delinquent in custody on June 30th of the fiscal year.	2,234	2,184	2,134
Objective: Increase number of relative caregivers who are provided information and support by the program.			
Quantity or Quality: Number of additional caregivers who received services through the relative caregiver program.	488	488	488

359.30 Custody Services

Performance Information

Standard: Increase the number of new DCS foster homes utilized during the fiscal year.			
Measure: The number of DCS foster homes utilized during the fiscal year.	1,960	2,060	2,160

Program Information

Objective: Decrease the use of group care for children in DCS custody.			
Quantity or Quality: Percentage of children in DCS custody who are placed in group care facilities.	25.7%	22.0%	20.0%

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
359.40 Adoption Services			
Performance Information			
Standard: Children will be placed for adoption with an adoptive home contract signed within 12 months of termination of parental rights.			
Measure: Percentage of children freed for adoption that have an adoptive home identified and an adoptive contract signed within 12 months.	57%	75%	75%
Standard: Adoptions will become final within six months of the adoptive placement.			
Measure: Percentage of adoptions that become final within six months of the adoptive placement.	77%	80%	80%
Program Information			
Objective: Increase the number of children placed for adoption through the provision of adoption assistance.			
Quantity or Quality: Number of children placed who receive adoption assistance.	4,741	4,895	5,000
359.50 Child and Family Management			
Performance Information			
Standard: Reports of severe abuse and neglect will be investigated within 24 hours.			
Measure: Percentage of Priority 1 abuse and neglect investigated within policy timeframes.	94%	96%	96%
Standard: Children will be in state custody for less than two years.			
Measure: Percentage of children who are in state custody less than two years.	85%	85%	85%
Standard: Children with a permanency goal of reunification will be appropriately reunited with their parents or caretakers in less than 12 months.			
Measure: Percentage of children with a goal of reunification who are reunited with their parents or caregivers in less than 12 months of latest removal date.	72%	75%	75%
359.60 John S. Wilder Youth Development Center			
Performance Information			
Standard: Students will demonstrate improvement in academic achievement while at Wilder Youth Development Center. This program will begin in October 2003.			
Measure: Percentage of students who show academic achievement by scoring higher on post-tests than on pre-tests.	Not Available	75%	75%
359.61 Taft Youth Development Center			
Performance Information			
Standard: Students will demonstrate improvement in academic achievement while at Taft Youth Development Center. This program will begin in October 2003.			
Measure: Percentage of students who show academic improvement by scoring higher on post-tests than on pre-tests.	Not Available	75%	75%

Health and Social Services

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
359.62 Woodland Hills Youth Development Center			
Performance Information			
Standard: Students will demonstrate improvement in academic achievement while at Woodland Hills Development Center. This program will begin in October 2003.			
Measure: Percentage of students who show academic improvement by scoring higher on post-tests than on pre-tests.			
	Not Available	75%	75%
359.63 Mountain View Youth Development Center			
Performance Information			
Standard: Students will demonstrate improvement in academic achievement while at Mountain View Development Center. This program will begin in October 2003.			
Measure: Percentage of students who show academic improvement by scoring higher on post-tests than on pre-tests.			
	Not Available	75%	75%
359.65 Community Treatment Facilities			
Performance Information			
Standard: Delinquent youth referred to the Community Treatment Facilities will successfully complete the program.			
Measure: Percentage of delinquent youth served through Community Treatment Facilities that do not return to the Youth Development Centers.			
	60%	65%	65%
359.70 Tennessee Preparatory School			
Performance Information			
Standard: Maintain facilities and grounds and provide security services at a low cost.			
Measure: Maintenance cost per square foot.			
	Not Available	\$5.75	\$5.75
359.80 Major Maintenance			
Performance Information			
Standard: Complete at least 80% of planned major maintenance projects.			
Measure: Percentage of planned major maintenance projects completed.			
	90%	80%	80%

Law, Safety, and Correction

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Law, Safety, and Correction

Recommended Budget, Fiscal Year 2004 – 2005

The agencies and departments which comprise this functional group are responsible for the interpretation and enforcement of the state's laws.

The judicial branch of state government ensures the proper administration of justice within the state and consists of the following agencies:

- The Court System
- Attorney General and Reporter
- District Attorneys General Conference
- District Public Defenders Conference
- Office of the Post-Conviction Defender.

The public's welfare and safety are protected through confinement and control of the state's convicted adult criminal offenders. These activities are executed in the executive branch of government by the following agencies:

- Tennessee Rehabilitative Initiative in Correction (TRICOR)
- Tennessee Corrections Institute
- Board of Probation and Parole
- Department of Correction.

The state agencies responsible for regulation and enforcement of the law make up the remainder of the functional group. Law and order, public safety, and security are maintained through the efforts of the following agencies:

- Alcoholic Beverage Commission
- Military Department
- Tennessee Bureau of Investigation
- Department of Safety.

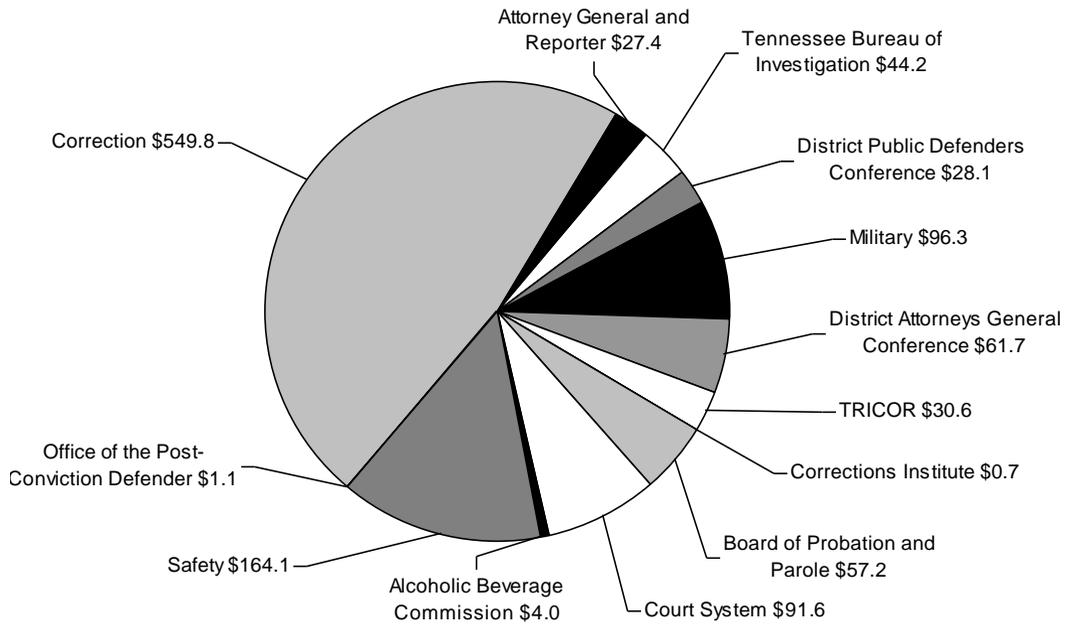
Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

Law, Safety and Correction FY 2004 - 2005 Recommended



In Millions
\$1,156,780,100 Total

Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
Personnel			
Full Time	11,420	11,269	11,316
Part Time	46	42	41
Seasonal	12	12	12
TOTAL	11,478	11,323	11,369
Expenditures			
Payroll	\$496,070,400	\$530,896,800	\$534,129,500
Operational	498,475,400	616,394,600	622,650,600
TOTAL	\$994,545,800	\$1,147,291,400	\$1,156,780,100
Funding			
State	\$823,996,600	\$897,757,300	\$911,712,100
Federal	53,015,100	118,947,200	114,961,700
Other	117,534,100	130,586,900	130,106,300

**Law, Safety and Correction
Improvements for Fiscal Year 2004-2005**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Mandated Salary Increase					
To provide funding for the judges' salary increase required by TCA 8-23-103.					
302.01 Appellate and Trial Courts	\$559,800	\$0	\$0	\$559,800	0
Sub-total	\$559,800	\$0	\$0	\$559,800	0
• DUI Caseload					
To provide funding for increased indigent defendants cases resulting from the change from .10 to .08 blood alcohol content in DUI cases.					
302.10 Indigent Defendants' Counsel	\$450,000	\$0	\$0	\$450,000	0
Sub-total	\$450,000	\$0	\$0	\$450,000	0
Total Court System	\$1,009,800	\$0	\$0	\$1,009,800	0
Attorney General and Reporter					
• Statutory Salary Increase					
To provide funding for the Attorney General's salary increase required by TCA 8-6-104.					
303.01 Attorney General and Reporter	\$5,500	\$0	\$0	\$5,500	0
Sub-total	\$5,500	\$0	\$0	\$5,500	0
Total Attorney General and Reporter	\$5,500	\$0	\$0	\$5,500	0
District Attorneys General Conference					
• Statutory Step Raises					
To provide funding for the assistant district attorneys' and criminal investigators' salary increase required by TCA 8-7-2.					
304.01 District Attorneys General	\$424,100	\$0	\$21,200	\$445,300	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$38,000	\$38,000	0
Sub-total	\$424,100	\$0	\$59,200	\$483,300	0
• DUI Caseload					
To provide funding and seven assistant district attorneys for increased cases resulting from the change from .10 to .08 blood alcohol content in DUI cases.					
304.01 District Attorneys General	\$380,000	\$0	\$0	\$380,000	7
Sub-total	\$380,000	\$0	\$0	\$380,000	7
Total District Attorneys General Conference	\$804,100	\$0	\$59,200	\$863,300	7

**Law, Safety and Correction
Improvements for Fiscal Year 2004-2005**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
District Public Defenders Conference					
• Statutory Step Raises					
To provide funding for step raises for assistant public defenders and criminal investigators required by TCA 8-14-207.					
306.01 District Public Defenders	\$265,100	\$0	\$0	\$265,100	0
Sub-total	\$265,100	\$0	\$0	\$265,100	0
• DUI Caseload					
To provide funding and three assistant public defender positions for increased cases resulting from the change from .10 to .08 blood alcohol content in DUI cases.					
306.01 District Public Defenders	\$162,900	\$0	\$0	\$162,900	3
Sub-total	\$162,900	\$0	\$0	\$162,900	3
Total District Public Defenders Conference	\$428,000	\$0	\$0	\$428,000	3

Office of the Post-Conviction Defender

• Statutory Step Raises					
To provide funding for the the salary step raises for assistant post-conviction defenders pursuant to TCA 40-30-209(b) and 8-14-207.					
308.00 Office of the Post-Conviction Defender	\$11,400	\$0	\$0	\$11,400	0
Sub-total	\$11,400	\$0	\$0	\$11,400	0
Total Office of the Post-Conviction Defender	\$11,400	\$0	\$0	\$11,400	0

TRICOR

• 2006 License Plate					
To provide funding for a new license plate issue on January 1, 2006. The last issue was in 2000.					
316.08 TRICOR	\$0	\$0	\$5,371,100	\$5,371,100	0
Sub-total	\$0	\$0	\$5,371,100	\$5,371,100	0
Total TRICOR	\$0	\$0	\$5,371,100	\$5,371,100	0

**Law, Safety and Correction
Improvements for Fiscal Year 2004-2005**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Board of Probation and Parole					
• Offender Diversion					
To provide funding for an estimated 264-offender expansion of the Community Corrections program to divert more non-violent offenders from the prison population. In cooperation with the Department of Correction, the agency will monitor the expansion for an effect on the population of locally-held felons.					
324.04 Community Correction	\$429,400	\$0	\$0	\$429,400	0
Sub-total	\$429,400	\$0	\$0	\$429,400	0
• Computers					
To provide funding for computer replacement from supervision fee reserves.					
324.02 Probation and Parole Services	\$339,500	\$0	\$0	\$339,500	0
Sub-total	\$339,500	\$0	\$0	\$339,500	0
Total Board of Probation and Parole	\$768,900	\$0	\$0	\$768,900	0

Correction

• Local Jails					
To provide funding to accommodate an increased felon population in local jails.					
329.04 State Prosecutions	\$13,163,800	\$0	\$0	\$13,163,800	0
Sub-total	\$13,163,800	\$0	\$0	\$13,163,800	0
• Capacity Increase					
To provide operational funding required for 136 additional inmate beds at Turney Center Industrial Prison and Farm.					
329.14 Turney Center Industrial Prison and Farm	\$515,800	\$0	\$79,900	\$595,700	0
Sub-total	\$515,800	\$0	\$79,900	\$595,700	0
• Operational Increase					
To provide funding for operational costs of prison service agreements. The Hardeman County and Hardeman County - Whiteville agreements provide for an annual increase based on the three-year average of the Consumer Price Index increase; the South Central Correctional Center agreement requires a fixed annual increase of 3.25%.					
329.21 Hardeman County Incarceration Agreement	\$669,600	\$0	\$0	\$669,600	0
329.22 Hardeman County Agreement - Whiteville	\$531,000	\$0	\$0	\$531,000	0
329.44 South Central Correctional Center	\$735,400	\$0	\$0	\$735,400	0
Sub-total	\$1,936,000	\$0	\$0	\$1,936,000	0

Law, Safety and Correction Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Health Services					
To provide funding for increased costs associated with the health and mental health services contracts and 29 staff positions at Lois DeBerry Special Needs Facility.					
329.01 Administration	\$1,113,900	\$0	\$0	\$1,113,900	0
329.46 Lois M. DeBerry Special Needs Facility	\$1,113,200	\$0	\$0	\$1,113,200	29
Sub-total	\$2,227,100	\$0	\$0	\$2,227,100	29
Total Correction	\$17,842,700	\$0	\$79,900	\$17,922,600	29

Military

• Tuition Assistance for National Guard					
To provide funding to supplement federal tuition assistance by funding 25% of higher education tuition for eligible Army and Air National Guard recruits in Tennessee. This recruiting incentive will allow Tennessee to compete with neighboring states and build the strength of the Guard.					
341.01 Administration	\$445,800	\$0	\$0	\$445,800	0
Sub-total	\$445,800	\$0	\$0	\$445,800	0
Total Military	\$445,800	\$0	\$0	\$445,800	0

Tennessee Bureau of Investigation

• Computer Evidence Recovery Unit					
To provide funding to replace an expiring federal grant for computer evidence recovery. This will allow the TBI to retain three existing computer forensic specialist positions and one existing secretary position. This unit conducts investigations in computer crimes and specializes in the proper seizure and recovery of data-evidence from computers.					
348.00 Tennessee Bureau of Investigation	\$264,300	\$0	\$0	\$264,300	4
Sub-total	\$264,300	\$0	\$0	\$264,300	4
• Fingerprints					
To provide funding to replace an expiring federal grant funding overtime costs for latent fingerprint examination. Three new latent print examiners should reduce the current 16-week turnaround time for latent print examinations.					
348.00 Tennessee Bureau of Investigation	\$238,800	\$0	\$0	\$238,800	3
Sub-total	\$238,800	\$0	\$0	\$238,800	3
Total Tennessee Bureau of Investigation	\$503,100	\$0	\$0	\$503,100	7

**Law, Safety and Correction
Improvements for Fiscal Year 2004-2005**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Safety					
• 2006 License Plate					
To fund the issuance of a new license plate on January 1, 2006, as authorized by TCA 55-4-103(h). The last issue was in 2000.					
349.11 Titling and Registration	\$5,371,100	\$0	\$0	\$5,371,100	0
Sub-total	\$5,371,100	\$0	\$0	\$5,371,100	0
• Commissioned Officer Salary Survey Raises					
To fund salary increases resulting from the annual commissioned officer salary survey pursuant to TCA Title 4, Chapter 7, Part 2.					
349.01 Administration	\$10,000	\$0	\$0	\$10,000	0
349.02 Driver License Issuance	\$900	\$0	\$0	\$900	0
349.03 Highway Patrol	\$1,337,100	\$0	\$0	\$1,337,100	0
349.08 Driver Education	\$3,000	\$0	\$0	\$3,000	0
349.09 Tennessee Law Enforcement Training Academy	\$26,300	\$0	\$0	\$26,300	0
349.13 Technical Services	\$4,700	\$0	\$0	\$4,700	0
349.14 C.I.D. Anti-Theft Unit	\$18,100	\$0	\$0	\$18,100	0
Sub-total	\$1,400,100	\$0	\$0	\$1,400,100	0
• Statutory Salary Step Increase					
To fund the mandated annual trooper salary step increase pursuant to TCA Title 4, Chapter 7, Part 2.					
349.03 Highway Patrol	\$725,400	\$0	\$0	\$725,400	0
349.09 Tennessee Law Enforcement Training Academy	\$9,300	\$0	\$0	\$9,300	0
349.13 Technical Services	\$2,500	\$0	\$0	\$2,500	0
349.14 C.I.D. Anti-Theft Unit	\$8,700	\$0	\$0	\$8,700	0
Sub-total	\$745,900	\$0	\$0	\$745,900	0
• Titling and Registration System					
To provide funding for the operation of the titling and registration user system (TRUST) and 22 support positions by extending the \$1 motor vehicle registration fee, which is set to expire June 30, 2004. This appropriation is from that dedicated tax source.					
349.07 Motor Vehicle Operations	\$42,700	\$0	\$0	\$42,700	0
349.11 Titling and Registration	\$4,957,300	\$0	\$0	\$4,957,300	22
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	22

**Law, Safety and Correction
Improvements for Fiscal Year 2004-2005**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• County Services					
To provide funding for an increased number of motor vehicle title and registrations issued by county clerks and for driver license express services provided by 43 county clerks.					
349.02 Driver License Issuance	\$554,500	\$0	\$0	\$554,500	0
349.11 Titling and Registration	\$659,700	\$0	\$0	\$659,700	0
Sub-total	\$1,214,200	\$0	\$0	\$1,214,200	0
Total Safety	\$13,731,300	\$0	\$0	\$13,731,300	22
Total Law, Safety and Correction	\$35,550,600	\$0	\$5,510,200	\$41,060,800	68

Court System

The Judicial Branch is one of three basic divisions of state government and serves as a check on the powers of the Legislative and Executive Branches. Judicial power is vested in the various levels of courts that compose the state's court system. The court system can be grouped into the following functional areas:

- The Supreme Court
- Intermediate Appellate Courts
- Trial Courts
- Courts of limited jurisdiction
- Court services and support.

The Supreme Court is composed of five justices; each is elected to an eight-year term. The workload of the court consists of cases appealed from lower courts. Cases may be further appealed to the U.S. Supreme Court only on grounds of federal constitutionality. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The Intermediate Appellate Courts are composed of the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit and Probate Courts. Chancery Courts are the traditional equity courts used when common law and/or statutory law proves inadequate for cases. Circuit Courts, which sometime overlap with the Chancery Courts, have jurisdiction to hear civil and criminal cases. Criminal Courts have jurisdiction over criminal cases and hearing misdemeanor appeals from lower courts. Probate Courts primarily have jurisdiction over probate of wills and administration of estates.

Courts of limited jurisdiction are funded locally and include General Sessions, Juvenile, and Municipal Courts. Jurisdiction of General Sessions Courts vary from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties where the legislature has established separate Juvenile Courts. Municipal Courts have jurisdiction in cases involving violations of city ordinances.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
302.01 Appellate and Trial Courts					
Full-Time	431	437	437	0	437
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	431	437	437	0	437
Payroll	40,215,100	41,435,600	41,435,600	559,800	41,995,400
Operational	2,046,400	2,573,800	2,478,300	0	2,478,300
Total	\$42,261,500	\$44,009,400	\$43,913,900	\$559,800	\$44,473,700
State	42,253,100	43,982,100	43,886,600	559,800	44,446,400
Federal	0	0	0	0	0
Other	8,400	27,300	27,300	0	27,300

Court Services and Support

The Administrative Office of the Courts, under leadership of its director, provides services and support to the entire state court system. It is responsible for preparation and oversight of the Court System's budget, administration of the Court Automation Fund and Tennessee Court Information System (TnCIS), and providing services and support to justices, judges, programs, and committees.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
302.27 Administrative Office of the Courts					
Full-Time	76	76	76	0	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	76	76	0	76
Payroll	3,707,500	4,209,500	4,239,500	0	4,239,500
Operational	3,645,500	6,396,400	6,299,300	0	6,299,300
Total	\$7,353,000	\$10,605,900	\$10,538,800	\$0	\$10,538,800
State	6,510,800	10,164,000	10,160,100	0	10,160,100
Federal	361,300	200,000	200,000	0	200,000
Other	480,900	241,900	178,700	0	178,700

Other programs in this functional area include:

- Operation of three Supreme Court buildings and law libraries across the state
- Child Support Referees who ensure the timely fulfillment of financial support by parents to their children
- Guardian Ad Litem that provides legal representation for children involved in custodial disputes
- Indigent Defendants' Counsel and the Civil Legal Representation Fund that provide legal representation for those who cannot afford counsel
- Court reporting and verbatim transcripts
- Board of Law Examiners that determines the fitness of applicants for licensing to practice in Tennessee
- Board of Professional Responsibility that is responsible for reviewing and investigating allegations of attorney misconduct and for imposing disciplinary action
- Tennessee Lawyers Assistance Program that provides education to the bench and bar and provides assistance to members of the legal profession suffering from physical or mental disabilities that impair their ability to practice or serve
- Tennessee Commission on Continuing Legal Education and Specialization that has general supervisory authority over the administration of mandatory continuing legal education
- Tennessee Lawyers' Fund for Client Protection that reimburses claimants for losses caused by any misconduct by lawyers licensed to practice in Tennessee.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
302.05 Supreme Court Buildings					
Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	468,900	565,500	565,500	0	565,500
Operational	1,912,300	2,196,700	2,192,500	0	2,192,500
Total	\$2,381,200	\$2,762,200	\$2,758,000	\$0	\$2,758,000
State	1,741,200	2,149,200	2,145,000	0	2,145,000
Federal	0	0	0	0	0
Other	640,000	613,000	613,000	0	613,000
302.08 Child Support Referees					
Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	892,100	1,028,200	1,028,200	0	1,028,200
Operational	95,200	142,400	141,500	0	141,500
Total	\$987,300	\$1,170,600	\$1,169,700	\$0	\$1,169,700
State	335,200	384,500	384,200	0	384,200
Federal	0	0	0	0	0
Other	652,100	786,100	785,500	0	785,500
302.09 Guardian ad Litem					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,662,100	1,477,500	1,477,500	0	1,477,500
Total	\$1,662,100	\$1,477,500	\$1,477,500	\$0	\$1,477,500
State	1,662,100	1,477,500	1,477,500	0	1,477,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
302.10 Indigent Defendants' Counsel					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	16,898,100	16,896,600	16,896,600	450,000	17,346,600
Total	\$16,898,100	\$16,896,600	\$16,896,600	\$450,000	\$17,346,600
State	16,891,000	16,891,600	16,891,600	450,000	17,341,600
Federal	0	0	0	0	0
Other	7,100	5,000	5,000	0	5,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
302.11 Civil Legal Representation Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,360,100	3,327,900	3,327,900	0	3,327,900
Total	\$3,360,100	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,360,100	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
302.12 Verbatim Transcripts					
Full-Time	56	58	58	0	58
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	58	58	0	58
Payroll	2,410,100	2,501,300	2,501,300	0	2,501,300
Operational	990,000	1,124,800	1,114,800	0	1,114,800
Total	\$3,400,100	\$3,626,100	\$3,616,100	\$0	\$3,616,100
State	3,400,100	3,626,100	3,616,100	0	3,616,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
302.15 Tennessee State Law Libraries					
Full-Time	4	4	4	0	4
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	159,700	251,200	251,200	0	251,200
Operational	411,100	292,300	292,200	0	292,200
Total	\$570,800	\$543,500	\$543,400	\$0	\$543,400
State	565,100	533,500	533,400	0	533,400
Federal	0	0	0	0	0
Other	5,700	10,000	10,000	0	10,000
302.18 Judicial Conference					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	195,300	259,400	200,000	0	200,000
Total	\$195,300	\$259,400	\$200,000	\$0	\$200,000
State	23,100	50,000	0	0	0
Federal	0	0	0	0	0
Other	172,200	209,400	200,000	0	200,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
302.20 Judicial Programs and Commissions					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	462,800	678,900	540,000	0	540,000
Total	\$462,800	\$678,900	\$540,000	\$0	\$540,000
State	265,500	485,200	455,700	0	455,700
Federal	15,800	0	0	0	0
Other	181,500	193,700	84,300	0	84,300
302.22 State Court Clerks' Conference					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	172,900	177,200	177,200	0	177,200
Total	\$172,900	\$177,200	\$177,200	\$0	\$177,200
State	172,900	177,200	177,200	0	177,200
Federal	0	0	0	0	0
Other	0	0	0	0	0
302.30 Appellate Court Clerks					
Full-Time	32	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	32	32	0	32
Payroll	1,314,100	1,480,600	1,480,600	0	1,480,600
Operational	366,700	406,500	404,900	0	404,900
Total	\$1,680,800	\$1,887,100	\$1,885,500	\$0	\$1,885,500
State	1,000	361,200	359,600	0	359,600
Federal	0	0	0	0	0
Other	1,679,800	1,525,900	1,525,900	0	1,525,900
302.35 Board of Law Examiners					
Full-Time	13	13	13	0	13
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	286,800	323,100	323,100	0	323,100
Operational	301,600	328,900	328,800	0	328,800
Total	\$588,400	\$652,000	\$651,900	\$0	\$651,900
State	588,400	652,000	651,900	0	651,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
302.40 Board of Professional Responsibility					
Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,363,400	1,403,600	1,403,600	0	1,403,600
Operational	523,300	630,000	630,000	0	630,000
Total	\$1,886,700	\$2,033,600	\$2,033,600	\$0	\$2,033,600
State	1,709,600	2,033,600	2,033,600	0	2,033,600
Federal	0	0	0	0	0
Other	177,100	0	0	0	0
302.50 Tennessee Lawyers Assistance Program					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	153,400	155,700	155,700	0	155,700
Operational	63,800	57,500	57,500	0	57,500
Total	\$217,200	\$213,200	\$213,200	\$0	\$213,200
State	213,600	213,200	213,200	0	213,200
Federal	0	0	0	0	0
Other	3,600	0	0	0	0
302.60 Continuing Legal Education					
Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	216,500	260,400	260,400	0	260,400
Operational	169,200	174,900	174,900	0	174,900
Total	\$385,700	\$435,300	\$435,300	\$0	\$435,300
State	373,600	435,300	435,300	0	435,300
Federal	0	0	0	0	0
Other	12,100	0	0	0	0
302.65 Client Protection Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	30,700	208,500	208,500	0	208,500
Total	\$30,700	\$208,500	\$208,500	\$0	\$208,500
State	8,000	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	22,700	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
302.00 Department Total					
Full-Time	672	680	680	0	680
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	681	689	689	0	689
Payroll	51,187,600	53,614,700	53,644,700	559,800	54,204,500
Operational	33,307,100	37,350,200	36,942,400	450,000	37,392,400
Total	\$84,494,700	\$90,964,900	\$90,587,100	\$1,009,800	\$91,596,900
State	80,074,400	87,152,600	86,957,400	1,009,800	87,967,200
Federal	377,100	200,000	200,000	0	200,000
Other	4,043,200	3,612,300	3,429,700	0	3,429,700

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer. The Attorney General is appointed by the Justices of the Tennessee Supreme Court for a term of eight years.

The Attorney General and his staff have the following responsibilities:

- Representing state officers and agencies in all litigation in state and federal courts
- Prosecuting criminal cases in the appellate courts
- Prosecuting in the areas of securities and state contract fraud
- Representing the interests of Tennessee consumers
- Instituting proceedings relating to antitrust violations, consumer fraud, and environmental enforcement
- Providing departments, agencies, and the General Assembly with legal advice
- Approving all administrative regulations and leases as to form and legality
- Issuing opinions on legal issues to state officials.

Functioning as the State Reporter, the Attorney General publishes the Attorney General opinions and reports the opinions of the Tennessee Supreme Court and Court of Appeals.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
303.01 Attorney General and Reporter					
Full-Time	317	318	318	0	318
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	317	318	318	0	318
Payroll	16,089,000	19,778,700	19,778,700	5,500	19,784,200
Operational	5,337,600	6,476,500	6,460,200	0	6,460,200
Total	\$21,426,600	\$26,255,200	\$26,238,900	\$5,500	\$26,244,400
State	14,593,200	16,975,700	16,966,700	5,500	16,972,200
Federal	0	0	0	0	0
Other	6,833,400	9,279,500	9,272,200	0	9,272,200
303.05 Publication of Tennessee Reports					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	76,800	80,100	80,100	0	80,100
Operational	105,700	62,200	62,100	0	62,100
Total	\$182,500	\$142,300	\$142,200	\$0	\$142,200
State	182,500	142,300	142,200	0	142,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
303.08 Special Litigation					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,649,600	972,400	972,400	0	972,400
Total	\$1,649,600	\$972,400	\$972,400	\$0	\$972,400
State	80,400	188,500	188,500	0	188,500
Federal	0	0	0	0	0
Other	1,569,200	783,900	783,900	0	783,900
303.00 Department Total					
Full-Time	319	320	320	0	320
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	319	320	320	0	320
Payroll	16,165,800	19,858,800	19,858,800	5,500	19,864,300
Operational	7,092,900	7,511,100	7,494,700	0	7,494,700
Total	\$23,258,700	\$27,369,900	\$27,353,500	\$5,500	\$27,359,000
State	14,856,100	17,306,500	17,297,400	5,500	17,302,900
Federal	0	0	0	0	0
Other	8,402,600	10,063,400	10,056,100	0	10,056,100

District Attorneys General Conference

District Attorneys General are elected for each of the state's thirty-one judicial districts and serve terms of eight years. They are the state's prosecutors for all violations of state criminal statutes. In addition, they prosecute all criminal cases in the federal courts that are removed from a state court and give opinions to county officials on criminal law relating to their office. Further, district attorneys and their assistants consult with and advise law enforcement agencies on cases or investigations within their district. In nineteen judicial districts, the district attorney is contracted with the Department of Human Services to enforce court-ordered child support obligations through the IV-D Child Support Enforcement Program.

The executive director is elected by the District Attorneys General Conference every four years. The director is a member of the Judicial Council and the Law Enforcement Planning Commission. The duties of the director's staff are as follows:

- Act as liaison with other agencies, the Legislature, and Office of the Attorney General
- Coordinate multi-district prosecution
- Assist in prosecution efforts
- Provide continuing education for the conference
- Provide automation support to the conference
- Provide administrative, budgeting, accounting/fiscal, payroll, personnel, and property management functions for the conference
- Coordinate and manage grants received from the federal government and other state agencies.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
304.01 District Attorneys General					
Full-Time	598	609	591	7	598
Part-Time	2	4	3	0	3
Seasonal	0	0	0	0	0
Total	600	613	594	7	601
Payroll	43,272,000	45,656,400	44,822,100	783,400	45,605,500
Operational	3,480,900	3,545,900	3,215,400	41,900	3,257,300
Total	\$46,752,900	\$49,202,300	\$48,037,500	\$825,300	\$48,862,800
State	42,444,100	44,136,400	44,042,000	804,100	44,846,100
Federal	15,500	0	0	0	0
Other	4,293,300	5,065,900	3,995,500	21,200	4,016,700
304.05 District Attorneys General Conference					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	315,400	503,500	503,500	0	503,500
Total	\$315,400	\$503,500	\$503,500	\$0	\$503,500
State	92,000	237,200	237,200	0	237,200
Federal	0	0	0	0	0
Other	223,400	266,300	266,300	0	266,300

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
304.10 Executive Director					
Full-Time	20	20	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	19	0	19
Payroll	1,205,400	1,304,900	1,231,400	0	1,231,400
Operational	314,100	520,500	463,800	0	463,800
Total	\$1,519,500	\$1,825,400	\$1,695,200	\$0	\$1,695,200
State	1,119,600	1,184,900	1,163,900	0	1,163,900
Federal	0	0	0	0	0
Other	399,900	640,500	531,300	0	531,300
304.15 IV-D Child Support Enforcement					
Full-Time	237	212	212	0	212
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	239	214	214	0	214
Payroll	9,254,200	8,650,000	8,645,000	38,000	8,683,000
Operational	1,993,600	1,972,300	1,971,100	0	1,971,100
Total	\$11,247,800	\$10,622,300	\$10,616,100	\$38,000	\$10,654,100
State	0	0	0	0	0
Federal	100	0	0	0	0
Other	11,247,700	10,622,300	10,616,100	38,000	10,654,100
304.00 Department Total					
Full-Time	855	841	822	7	829
Part-Time	4	6	5	0	5
Seasonal	0	0	0	0	0
Total	859	847	827	7	834
Payroll	53,731,600	55,611,300	54,698,500	821,400	55,519,900
Operational	6,104,000	6,542,200	6,153,800	41,900	6,195,700
Total	\$59,835,600	\$62,153,500	\$60,852,300	\$863,300	\$61,715,600
State	43,655,700	45,558,500	45,443,100	804,100	46,247,200
Federal	15,600	0	0	0	0
Other	16,164,300	16,595,000	15,409,200	59,200	15,468,400

District Public Defenders Conference

As required by the United States Constitution, district public defenders and their staff provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, public defenders may be appointed in any criminal prosecution or juvenile delinquency proceeding involving the possible deprivation of liberty or in any habeas corpus or other post-conviction proceeding. Twenty-nine judicial districts participate directly in the District Public Defenders Conference; the public defenders for Shelby and Davidson Counties receive direct appropriations with no administrative support or control from the conference.

The executive director of the Public Defenders Conference serves as the central administrative support to the conference. The director provides training, personnel, payroll, and fiscal services, and acts as a liaison with other branches of state government. This office also coordinates multi-district cases and provides technical support for information systems, telecommunications, and legal research.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
306.01 District Public Defenders					
Full-Time	281	279	279	3	282
Part-Time	9	10	10	0	10
Seasonal	0	0	0	0	0
Total	290	289	289	3	292
Payroll	18,831,200	19,842,500	19,842,500	410,000	20,252,500
Operational	2,354,800	2,898,800	2,849,400	18,000	2,867,400
Total	\$21,186,000	\$22,741,300	\$22,691,900	\$428,000	\$23,119,900
State	20,351,500	21,875,800	21,848,900	428,000	22,276,900
Federal	0	0	0	0	0
Other	834,500	865,500	843,000	0	843,000
306.03 Executive Director of the Public Defenders Conference					
Full-Time	11	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	11	0	11
Payroll	632,300	691,100	691,100	0	691,100
Operational	167,400	267,100	266,400	0	266,400
Total	\$799,700	\$958,200	\$957,500	\$0	\$957,500
State	647,400	748,200	747,500	0	747,500
Federal	0	0	0	0	0
Other	152,300	210,000	210,000	0	210,000
306.10 Shelby County Public Defender					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	2,764,000	2,728,500	2,728,500	0	2,728,500
Total	\$2,764,000	\$2,728,500	\$2,728,500	\$0	\$2,728,500
State	2,764,000	2,728,500	2,728,500	0	2,728,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.12 Davidson County Public Defender

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,360,700	1,343,200	1,343,200	0	1,343,200
Total	\$1,360,700	\$1,343,200	\$1,343,200	\$0	\$1,343,200
State	1,360,700	1,343,200	1,343,200	0	1,343,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Department Total

Full-Time	292	290	290	3	293
Part-Time	9	10	10	0	10
Seasonal	0	0	0	0	0
Total	301	300	300	3	303
Payroll	19,463,500	20,533,600	20,533,600	410,000	20,943,600
Operational	6,646,900	7,237,600	7,187,500	18,000	7,205,500
Total	\$26,110,400	\$27,771,200	\$27,721,100	\$428,000	\$28,149,100
State	25,123,600	26,695,700	26,668,100	428,000	27,096,100
Federal	0	0	0	0	0
Other	986,800	1,075,500	1,053,000	0	1,053,000

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created during the 1995 legislative session to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence.

This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruiting qualified members of the private bar association who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission is a separate entity also created during the 1995 legislative session. The commission is responsible for appointment of the Post-Conviction Defender and oversight of the office. The commission is composed of the following members:

- Two members appointed by the Governor
- Two members appointed by the Lieutenant Governor
- Two members appointed by the Speaker of the House of Representatives
- Three members appointed by the Supreme Court of Tennessee.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
308.00 Office of the Post-Conviction Defender					
Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	721,800	874,500	874,500	11,400	885,900
Operational	241,300	214,000	213,100	0	213,100
Total	\$963,100	\$1,088,500	\$1,087,600	\$11,400	\$1,099,000
State	949,900	1,088,500	1,087,600	11,400	1,099,000
Federal	13,200	0	0	0	0
Other	0	0	0	0	0

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) has the legal responsibility to regulate the liquor industry and enforce liquor laws and certain drug laws. It is the only regulatory/law enforcement agency in the state with a specific emphasis on enforcement of laws related to underage drinking.

The Commission's regulatory functions include licensing and inspecting:

- Wineries and distilleries
- Liquor wholesalers and retailers
- Temporary liquor sales venues
- Establishments offering on-premise liquor consumption.

The ABC also enforces laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages and marijuana. Along with the Department of Safety and the Tennessee Bureau of Investigation, the commission participates in the Governor's Task Force on Marijuana Eradication.

The ABC is legally authorized to issue server permits to employees of establishments offering on-premise liquor consumption and require servers to complete alcohol awareness training certified by the commission. The Server Training Program is designed to properly train employees to responsibly sell and serve alcoholic beverages.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.03 Alcoholic Beverage Commission					
Full-Time	66	62	62	0	62
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	69	65	65	0	65
Payroll	2,591,600	2,883,100	2,883,100	0	2,883,100
Operational	979,800	1,128,700	1,122,300	0	1,122,300
Total	\$3,571,400	\$4,011,800	\$4,005,400	\$0	\$4,005,400
State	1,354,300	1,818,800	1,812,400	0	1,812,400
Federal	0	0	0	0	0
Other	2,217,100	2,193,000	2,193,000	0	2,193,000

Tennessee Rehabilitative Initiative in Correction

The Tennessee Rehabilitative Initiative in Correction (TRICOR) manages correctional industry, agriculture, and service operations for the purpose of employing and training inmates and providing quality products and services to the Department of Correction, other state agencies, local governments, and not-for-profit organizations.

TRICOR's industrial program is comprised of 26 operations located at ten different correctional facilities across the state. The products manufactured include:

- Office furniture
- Interior and exterior building signs
- Institutional furniture and bedding
- Highway regulatory signs
- Uniforms and institutional clothing
- Highway marking paint
- Custom wood and metal fabrication
- Trash liners
- Textiles
- Open office landscaping
- License plates
- Refurbished furniture.

The agricultural program consists of four farms located at West Tennessee State Penitentiary, Turney Center Industrial Prison and Farm, Southeastern Regional Correctional Facility, and Brushy Mountain Correctional Complex. Agricultural operations include:

- Field crops
- Egg production
- Beef cattle
- Pallet refurbishing
- Milk production
- Timber harvesting and production.

In addition to the manufacturing and agricultural programs, TRICOR offers services in data processing, printing, office relocation, and provides janitorial supplies.

In an effort to fulfill its mission as a rehabilitative department, TRICOR also administers a post-release placement program that provides job placement assistance to eligible inmates who have completed their sentences.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.08 Tennessee Rehabilitative Initiative in Correction					
Full-Time	185	186	186	0	186
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	185	186	186	0	186
Payroll	6,372,700	7,590,700	7,590,700	0	7,590,700
Operational	15,084,400	17,614,400	17,665,000	5,371,100	23,036,100
Total	\$21,457,100	\$25,205,100	\$25,255,700	\$5,371,100	\$30,626,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,457,100	25,205,100	25,255,700	5,371,100	30,626,800

Tennessee Corrections Institute

The Tennessee Corrections Institute (TCI) is responsible for educating local correctional staff and certifying local adult correctional facilities. TCI also establishes standards to inspect and certify local correctional facilities in such areas as physical environment, medical services, and inmate supervision. The Institute provides training to local correctional personnel in the following areas:

- Legal issues
- Report writing
- Suicide prevention
- Hostage survival
- Substance abuse
- Security measures
- Communications
- Stress management.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.09 Tennessee Corrections Institute					
Full-Time	11	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	10	10	0	10
Payroll	455,400	490,700	485,700	0	485,700
Operational	185,600	185,100	177,100	0	177,100
Total	\$641,000	\$675,800	\$662,800	\$0	\$662,800
State	629,300	651,100	647,800	0	647,800
Federal	0	0	0	0	0
Other	11,700	24,700	15,000	0	15,000

Board of Probation and Parole

The Board of Probation and Parole protects society by managing the orderly release and supervision of adult felons. This process is carried out in such a manner as to promote lawful behavior and minimize risk to the general public. The board conducts parole hearings at state and local prisons and jails and makes recommendations to the Governor regarding executive clemency.

The board is also responsible, through the Probation and Parole Services Division, for the supervision of parolees as well as offenders placed on probation and in community corrections by the criminal and circuit courts of the State of Tennessee. Probation and Parole Services is responsible for the collection of supervision and criminal injuries fees, and writing pre-sentence investigation reports for use by the court system, the Department of Correction, and the Board of Probation and Parole. The board also administers the Community Correction Grant Program. This program diverts non-violent felony offenders from incarceration by placing them in locally operated grant programs with intensive supervision, community service work, and victim restitution.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
324.02 Probation and Parole Services					
Full-Time	969	969	963	0	963
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	969	969	963	0	963
Payroll	36,705,300	40,086,900	39,085,800	0	39,085,800
Operational	9,155,500	8,944,500	8,713,800	339,500	9,053,300
Total	\$45,860,800	\$49,031,400	\$47,799,600	\$339,500	\$48,139,100
State	45,711,200	48,591,400	47,359,600	339,500	47,699,100
Federal	0	0	0	0	0
Other	149,600	440,000	440,000	0	440,000
324.04 Community Correction					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,377,200	8,781,400	8,656,400	429,400	9,085,800
Total	\$9,377,200	\$8,781,400	\$8,656,400	\$429,400	\$9,085,800
State	9,253,500	8,656,400	8,656,400	429,400	9,085,800
Federal	0	0	0	0	0
Other	123,700	125,000	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
324.00 Department Total					
Full-Time	969	969	963	0	963
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	969	969	963	0	963
Payroll	36,705,300	40,086,900	39,085,800	0	39,085,800
Operational	18,532,700	17,725,900	17,370,200	768,900	18,139,100
Total	\$55,238,000	\$57,812,800	\$56,456,000	\$768,900	\$57,224,900
State	54,964,700	57,247,800	56,016,000	768,900	56,784,900
Federal	0	0	0	0	0
Other	273,300	565,000	440,000	0	440,000

Department of Correction

The Tennessee Department of Correction exists for the purpose of providing supervision of convicted felons during their period of confinement in the department's institutions. The department fulfills its obligations to the courts through the incarceration of inmates in a variety of secured institutional settings. All individuals are assigned to the department by the criminal courts of Tennessee and managed in accordance with Department of Correction policy and procedure.

The Department of Correction carries out its responsibilities through three major functional areas:

- Administrative Services
- Tennessee Correction Academy
- Institutional Operations.

Administrative Services

The Administrative Services functional area includes Administration, State Prosecutions, Major Maintenance, the Sex Offender Treatment Program, Federal Construction Grants and the Sentencing Act of 1985. The department's central administrative office provides management oversight and support services related to all aspects of correctional management. Fiscal operations, contract management, personnel, information systems management, health and mental health services, food services, planning and research, and substance abuse treatment coordination are some of the areas supported by the central office.

State Prosecutions, administered through the central office, provides reimbursement to the county jails in Tennessee housing convicted felons. In addition, this program provides payments to counties for other correctional expenditures, such as witness fees, criminal court costs and transportation, jury boarding, and medical costs for convicted felons. Funding for upkeep, maintenance, and electronic security of the state's fourteen prison facilities and the Tennessee Correction Academy is located in Major Maintenance. The Tennessee Standardized Treatment Program for Sex Offenders Act of 1995 was passed to provide funding for evaluating, identifying, treating, tracking, and monitoring sex offenders. Federal Construction Grants is an account used by the department to draw down federal grants for construction projects. The Sentencing Act of 1985 was passed to provide funding for new legislation that increases periods of incarceration in correctional facilities.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
329.01 Administration					
Full-Time	204	198	195	0	195
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	198	195	0	195
Payroll	8,679,600	9,844,200	9,772,700	0	9,772,700
Operational	6,562,600	8,356,700	6,435,200	1,113,900	7,549,100
Total	\$15,242,200	\$18,200,900	\$16,207,900	\$1,113,900	\$17,321,800
State	10,728,300	13,071,100	11,546,600	1,113,900	12,660,500
Federal	510,700	474,700	474,700	0	474,700
Other	4,003,200	4,655,100	4,186,600	0	4,186,600

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
329.04 State Prosecutions					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	113,185,800	104,375,300	101,973,300	13,163,800	115,137,100
Total	\$113,185,800	\$104,375,300	\$101,973,300	\$13,163,800	\$115,137,100
State	113,060,600	104,375,300	101,973,300	13,163,800	115,137,100
Federal	0	0	0	0	0
Other	125,200	0	0	0	0
329.32 Major Maintenance					
Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	0	22
Payroll	1,148,400	1,110,700	1,110,700	0	1,110,700
Operational	2,547,500	2,549,800	2,441,900	0	2,441,900
Total	\$3,695,900	\$3,660,500	\$3,552,600	\$0	\$3,552,600
State	3,635,800	3,560,500	3,552,600	0	3,552,600
Federal	0	0	0	0	0
Other	60,100	100,000	0	0	0
329.50 Sex Offender Treatment Program					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	169,100	75,000	75,000	0	75,000
Total	\$169,100	\$75,000	\$75,000	\$0	\$75,000
State	75,000	75,000	75,000	0	75,000
Federal	0	0	0	0	0
Other	94,100	0	0	0	0
329.98 Federal Construction Grants					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,827,800	15,310,000	15,310,000	0	15,310,000
Total	\$1,827,800	\$15,310,000	\$15,310,000	\$0	\$15,310,000
State	0	0	0	0	0
Federal	1,827,800	15,310,000	15,310,000	0	15,310,000
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
329.99 Sentencing Act of 1985					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	14,335,500	14,335,500	0	14,335,500
Total	\$0	\$14,335,500	\$14,335,500	\$0	\$14,335,500
State	0	14,335,500	14,335,500	0	14,335,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Correction Academy

The Tennessee Correction Academy, located in Tullahoma, provides training to all departmental employees, as well as employees of the Department of Children's Services, the Board of Probation and Parole, and other law enforcement agencies. While some of the department's employee training is provided in a regional setting, most training is conducted on-site at the academy. New correctional officers complete 120 hours of pre-service training prior to working in an institution, and other institutional employees must complete up to 80 hours of pre-service training before beginning their assigned jobs. Upon completion of a year's employment, security and other professional level institutional staff are required to complete 40 hours of in-service training each year. In addition, specialized training programs are conducted at the academy as necessary to enhance correctional services and professional staff development.

329.06 Tennessee Correction Academy

Full-Time	76	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	79	79	0	79
Payroll	2,785,400	3,023,600	3,023,600	0	3,023,600
Operational	1,159,400	1,297,400	1,338,900	0	1,338,900
Total	\$3,944,800	\$4,321,000	\$4,362,500	\$0	\$4,362,500
State	3,881,800	4,162,200	4,297,600	0	4,297,600
Federal	0	0	0	0	0
Other	63,000	158,800	64,900	0	64,900

Institutional Operations

The Institutional Operations functional area is responsible for managing the inmate population committed to the department for incarceration. This functional area consists of classification centers and time-building institutions, special-purpose facilities, and contract-management institutions.

Classification centers evaluate inmates entering the correctional system. During the classification process, each inmate completes various evaluations that provide information concerning the

inmate's physical and mental health, work and training experience, educational background, religious affiliation, and family background. Based on these evaluations, decisions are made concerning the most appropriate institutional placement or special program requirements of each inmate. The department's classification centers are located at the Brushy Mountain Correctional Complex, Tennessee Prison for Women, Middle Tennessee Correctional Complex, and West Tennessee State Penitentiary.

Time-building institutions, where inmates serve out their sentences, range in security levels from death row and maximum security to minimum security and work release. These institutions provide educational, counseling, and treatment programs.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
329.11 Brushy Mountain Correctional Complex					
Full-Time	557	556	556	0	556
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	557	556	556	0	556
Payroll	21,006,500	22,027,700	22,027,700	0	22,027,700
Operational	10,132,200	10,793,200	10,821,900	0	10,821,900
Total	\$31,138,700	\$32,820,900	\$32,849,600	\$0	\$32,849,600
State	30,010,900	31,676,000	31,704,700	0	31,704,700
Federal	0	0	0	0	0
Other	1,127,800	1,144,900	1,144,900	0	1,144,900
329.13 Tennessee Prison for Women					
Full-Time	247	249	249	0	249
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	247	249	249	0	249
Payroll	8,717,700	8,982,400	9,182,500	0	9,182,500
Operational	5,968,600	7,798,000	6,857,900	0	6,857,900
Total	\$14,686,300	\$16,780,400	\$16,040,400	\$0	\$16,040,400
State	13,868,200	15,810,100	15,200,300	0	15,200,300
Federal	0	0	0	0	0
Other	818,100	970,300	840,100	0	840,100
329.14 Turney Center Industrial Prison and Farm					
Full-Time	327	327	327	0	327
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	327	327	327	0	327
Payroll	11,616,600	12,721,900	12,721,900	0	12,721,900
Operational	8,093,800	8,381,900	8,389,700	595,700	8,985,400
Total	\$19,710,400	\$21,103,800	\$21,111,600	\$595,700	\$21,707,300
State	18,816,000	20,234,200	20,207,000	515,800	20,722,800
Federal	0	0	0	0	0
Other	894,400	869,600	904,600	79,900	984,500

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
329.16 Mark Luttrell Correctional Facility					
Full-Time	201	199	199	0	199
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	201	199	199	0	199
Payroll	7,132,800	7,783,900	7,783,900	0	7,783,900
Operational	3,364,700	3,787,800	3,741,800	0	3,741,800
Total	\$10,497,500	\$11,571,700	\$11,525,700	\$0	\$11,525,700
State	10,059,000	11,029,700	10,983,700	0	10,983,700
Federal	0	0	0	0	0
Other	438,500	542,000	542,000	0	542,000
329.17 Middle Tennessee Correctional Complex					
Full-Time	383	391	391	0	391
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	383	391	391	0	391
Payroll	13,482,500	14,835,200	14,835,200	0	14,835,200
Operational	8,113,400	8,657,800	8,588,400	0	8,588,400
Total	\$21,595,900	\$23,493,000	\$23,423,600	\$0	\$23,423,600
State	20,691,200	22,361,200	22,291,800	0	22,291,800
Federal	0	0	0	0	0
Other	904,700	1,131,800	1,131,800	0	1,131,800
329.18 Southeastern Tennessee State Regional Correctional Facility					
Full-Time	323	322	322	0	322
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	323	322	322	0	322
Payroll	12,053,600	12,551,800	12,551,800	0	12,551,800
Operational	5,503,500	6,136,500	6,145,700	0	6,145,700
Total	\$17,557,100	\$18,688,300	\$18,697,500	\$0	\$18,697,500
State	16,756,800	17,970,200	17,909,400	0	17,909,400
Federal	0	0	0	0	0
Other	800,300	718,100	788,100	0	788,100
329.41 West Tennessee State Penitentiary					
Full-Time	734	709	709	0	709
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	734	709	709	0	709
Payroll	23,984,400	25,566,200	25,562,800	0	25,562,800
Operational	17,552,000	18,884,100	18,652,500	0	18,652,500
Total	\$41,536,400	\$44,450,300	\$44,215,300	\$0	\$44,215,300
State	40,142,500	43,159,200	42,895,100	0	42,895,100
Federal	0	0	0	0	0
Other	1,393,900	1,291,100	1,320,200	0	1,320,200

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
329.42 Riverbend Maximum Security Institution					
Full-Time	363	329	329	0	329
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	363	329	329	0	329
Payroll	11,846,500	12,442,400	12,442,400	0	12,442,400
Operational	6,441,400	6,975,000	6,929,300	0	6,929,300
Total	\$18,287,900	\$19,417,400	\$19,371,700	\$0	\$19,371,700
State	17,850,000	19,004,800	18,944,800	0	18,944,800
Federal	0	0	0	0	0
Other	437,900	412,600	426,900	0	426,900
329.43 Northeast Correctional Complex					
Full-Time	515	503	503	0	503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	515	503	503	0	503
Payroll	16,606,700	17,281,600	17,281,600	0	17,281,600
Operational	13,113,800	14,044,400	13,991,800	0	13,991,800
Total	\$29,720,500	\$31,326,000	\$31,273,400	\$0	\$31,273,400
State	28,410,800	30,039,500	29,956,900	0	29,956,900
Federal	0	0	0	0	0
Other	1,309,700	1,286,500	1,316,500	0	1,316,500
329.45 Northwest Correctional Complex					
Full-Time	660	658	658	0	658
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	660	658	658	0	658
Payroll	21,796,000	23,671,200	23,671,200	0	23,671,200
Operational	15,112,000	16,061,400	16,208,600	0	16,208,600
Total	\$36,908,000	\$39,732,600	\$39,879,800	\$0	\$39,879,800
State	35,325,600	38,197,200	38,144,400	0	38,144,400
Federal	0	0	0	0	0
Other	1,582,400	1,535,400	1,735,400	0	1,735,400

Wayne County Boot Camp and the Lois M. DeBerry Special Needs Facility are the department's two special-purpose facilities. These facilities provide inmates with alternative rehabilitation methods and programs for mental health services, medical services and sex offender treatment.

Wayne County Boot Camp is an alternative incarceration unit. Offenders convicted of specified felonies who are serving their first term of incarceration in a state or federal prison can participate in a 120 day program that is based on a strict, highly structured military style regimen designed to foster self-discipline and positive self-esteem. Offenders at the boot camp also participate in educational programming when they lack a high school diploma/GED, and perform community service work for state and local government agencies, as well as private, not-for-profit agencies in

the area. Other special-purpose programs at the boot camp include a geriatrics program and a program which is designed to provide intensive work and educational programming for offenders who have violated their probation or parole without committing a new felony offense.

The Lois M. DeBerry Special Needs Facility is the department's primary medical and mental health treatment facility. As needed, inmates are transferred to this facility for medical services and both emergent and programmed mental health treatment. In addition, this facility provides geriatrics and sex offender treatment programs.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
329.08 Wayne County Boot Camp					
Full-Time	156	155	155	0	155
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	156	155	155	0	155
Payroll	5,310,700	5,590,800	5,590,800	0	5,590,800
Operational	2,683,400	3,231,900	3,205,700	0	3,205,700
Total	\$7,994,100	\$8,822,700	\$8,796,500	\$0	\$8,796,500
State	7,661,600	8,480,200	8,454,000	0	8,454,000
Federal	0	0	0	0	0
Other	332,500	342,500	342,500	0	342,500

329.46 Lois M. DeBerry Special Needs Facility

Full-Time	448	458	458	29	487
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	448	458	458	29	487
Payroll	17,363,200	19,362,700	19,362,700	1,113,200	20,475,900
Operational	7,975,800	8,705,400	8,690,200	0	8,690,200
Total	\$25,339,000	\$28,068,100	\$28,052,900	\$1,113,200	\$29,166,100
State	24,930,500	27,700,700	27,655,500	1,113,200	28,768,700
Federal	0	0	0	0	0
Other	408,500	367,400	397,400	0	397,400

The Institutional Operations functional area includes three contract-management facilities: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, and South Central Correctional Center. The Hardeman County Correctional Facility, owned by Hardeman County, and the Hardeman County Correctional Facility - Whiteville, a privately owned facility, have been contracted by the department to house and manage adult male felons. The South Central Correctional Center is a state-owned facility that utilizes a private contractor to manage the inmate population.

329.21 Hardeman County Incarceration Agreement

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	107,600	118,100	118,100	0	118,100
Operational	30,578,500	31,606,200	31,605,600	669,600	32,275,200
Total	\$30,686,100	\$31,724,300	\$31,723,700	\$669,600	\$32,393,300
State	30,669,300	31,705,400	31,704,800	669,600	32,374,400
Federal	0	0	0	0	0
Other	16,800	18,900	18,900	0	18,900

329.22 Hardeman County Agreement – Whiteville

Full-Time	0	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	2	2	0	2
Payroll	0	82,400	85,800	0	85,800
Operational	9,437,200	25,013,300	25,013,300	531,000	25,544,300
Total	\$9,437,200	\$25,095,700	\$25,099,100	\$531,000	\$25,630,100
State	9,432,000	25,077,000	25,080,400	531,000	25,611,400
Federal	0	0	0	0	0
Other	5,200	18,700	18,700	0	18,700

329.44 South Central Correctional Center

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	101,800	126,100	126,100	0	126,100
Operational	22,472,100	23,846,700	23,846,700	735,400	24,582,100
Total	\$22,573,900	\$23,972,800	\$23,972,800	\$735,400	\$24,708,200
State	22,556,200	23,954,100	23,954,100	735,400	24,689,500
Federal	0	0	0	0	0
Other	17,700	18,700	18,700	0	18,700

329.00 Department Total

Full-Time	5,220	5,161	5,158	29	5,187
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,220	5,161	5,158	29	5,187
Payroll	183,740,000	197,122,900	197,251,500	1,113,200	198,364,700
Operational	291,994,600	340,223,300	334,598,900	16,809,400	351,408,300
Total	\$475,734,600	\$537,346,200	\$531,850,400	\$17,922,600	\$549,773,000
State	458,562,100	505,979,100	500,867,500	17,842,700	518,710,200
Federal	2,338,500	15,784,700	15,784,700	0	15,784,700
Other	14,834,000	15,582,400	15,198,200	79,900	15,278,100

Statistical Data Correctional Institutions

	BMCC 329.11	TPW 329.13	TCIP 329.14	MLCF 329.16	MTCC 329.17
Annual Admissions					
1997-1998	3,431	537	684	2,211	5,240
1998-1999	1,917	328	524	1,220	2,601
1999-2000	1,915	547	481	414	2,586
2000-2001	1,048	455	521	212	3,613
2001-2002	1,915	522	477	213	3,477
2002-2003	1,908	583	527	175	2,288
2003-2004	1,500	500	550	220	3,000
2004-2005	1,500	500	550	220	3,000
Annual Releases					
1997-1998	2,947	317	491	1,970	5,323
1998-1999	1,912	257	523	1,729	2,109
1999-2000	1,907	123	480	203	2,557
2000-2001	525	261	523	197	3,756
2001-2002	1,907	384	471	169	3,771
2002-2003	1,911	342	538	130	2,725
2003-2004	1,500	500	550	200	3,000
2004-2005	1,500	500	550	200	3,000
Average Daily Census					
1997-1998	1,499	436	1,057	432	1,106
1998-1999	1,525	494	1,106	402	1,018
1999-2000	1,517	471	1,100	335	1,009
2000-2001	1,539	466	1,100	404	994
2001-2002	1,537	512	1,110	397	1,011
2002-2003	1,520	695	1,100	414	1,007
2003-2004	1,603	775	1,136	440	1,110
2004-2005	1,603	775	1,272	440	1,110
Cost Per Occupancy Day (Total Expenditures)*					
1997-1998	\$45.84	\$60.95	\$41.55	\$57.78	\$48.64
1998-1999	\$46.98	\$57.57	\$41.58	\$66.84	\$49.09
1999-2000	\$48.18	\$61.20	\$42.63	\$73.29	\$48.80
2000-2001	\$53.60	\$70.24	\$46.37	\$71.20	\$59.67
2001-2002	\$52.44	\$71.17	\$46.85	\$68.98	\$55.38
2002-2003	\$56.13	\$57.89	\$49.09	\$69.47	\$58.76
2003-2004	\$55.94	\$59.16	\$50.76	\$71.86	\$57.83
2004-2005	\$56.14	\$56.70	\$46.75	\$71.77	\$57.81

BMCC: Brushy Mountain Correctional Complex
 TPW: Tennessee Prison for Women
 TCIP: Turney Center Industrial Prison and Farm

MLCF: Mark Luttrell Correctional Facility
 MTCC: Middle TN Correctional Complex

*FY 1997-98 to 2002-2003 are actual expenditures from all sources; 2003-04 to 2004-05 are estimates.

Statistical Data Correctional Institutions

	STRCF 329.18	WTSP 329.41	RMSI 329.42	NECC 329.43	NWCC 329.45
Annual Admissions					
1997-1998	608	980	370	2,211	3,615
1998-1999	314	2,096	300	750	830
1999-2000	376	2,112	300	741	935
2000-2001	353	2,587	418	741	1,090
2001-2002	362	2,234	360	621	1,007
2002-2003	389	3,024	365	657	1,276
2003-2004	300	2,600	400	700	1,200
2004-2005	300	2,600	400	700	1,200
Annual Releases					
1997-1998	408	736	451	2,076	3,277
1998-1999	322	565	300	750	867
1999-2000	376	1,866	300	750	970
2000-2001	376	2,416	381	750	914
2001-2002	357	2,289	365	582	962
2002-2003	298	3,068	371	657	1,254
2003-2004	300	2,443	400	700	1,200
2004-2005	300	2,443	400	700	1,200
Average Daily Census					
1997-1998	937	1,394	669	1,494	2,132
1998-1999	956	1,589	664	1,527	2,180
1999-2000	954	2,304	664	1,518	2,117
2000-2001	929	2,415	676	1,609	2,152
2001-2002	932	2,498	705	1,682	2,289
2002-2003	912	2,455	704	1,782	2,264
2003-2004	981	2,582	736	1,856	2,425
2004-2005	981	2,582	736	1,856	2,425
Cost Per Occupancy Day (Total Expenditures)*					
1997-1998	\$40.69	\$54.16	\$60.03	\$38.86	\$34.78
1998-1999	\$42.33	\$49.86	\$63.55	\$37.29	\$34.60
1999-2000	\$42.79	\$39.25	\$65.28	\$39.31	\$36.50
2000-2001	\$49.05	\$41.74	\$67.59	\$41.25	\$39.45
2001-2002	\$50.08	\$42.75	\$68.00	\$44.37	\$41.92
2002-2003	\$52.74	\$46.35	\$71.17	\$45.69	\$44.66
2003-2004	\$52.05	\$47.04	\$72.08	\$46.12	\$44.77
2004-2005	\$52.22	\$46.92	\$72.11	\$46.16	\$45.06

STRCF: Southeastern TN State Regional Corr. Facility
 WTSP: West Tennessee State Penitentiary
 RMSI: Riverbend Maximum Security Institution

NECC: Northeast Correctional Complex
 NWCC: Northwest Correctional Complex

*FY 1997-98 to 2002-2003 are actual expenditures from all sources; 2003-04 to 2004-05 are estimates.

Statistical Data Correctional Institutions

	<u>WCBC</u> <u>329.08</u>	<u>DSNF</u> <u>329.46</u>	<u>HCCF</u> <u>329.21</u>	<u>HCCF-W</u> <u>329.22</u>	<u>SCCC</u> <u>329.44</u>	<u>Total*</u>
Annual Admissions						
1997-1998	909	424	1,738	N/A	688	8,105
1998-1999	656	376	2,496	N/A	1,468	8,021
1999-2000	536	420	943	N/A	656	8,484
2000-2001	576	420	867	N/A	624	8,808
2001-2002	473	388	824	N/A	759	8,882
2002-2003	599	383	873	1,756	788	8,758
2003-2004	600	400	800	700	750	8,880
2004-2005	600	400	800	700	750	9,005
Annual Releases						
1997-1998	575	439	577	N/A	596	4,243
1998-1999	466	349	2,001	N/A	1,456	4,275
1999-2000	336	413	963	N/A	680	4,711
2000-2001	570	372	800	N/A	600	5,145
2001-2002	346	354	675	N/A	657	4,675
2002-2003	351	360	799	257	713	5,003
2003-2004	600	400	800	700	750	5,077
2004-2005	600	400	800	700	750	5,060
Average Daily Census						
1997-1998	279	632	1,392	N/A	1,482	14,941
1998-1999	391	701	1,679	N/A	1,480	15,712
1999-2000	393	715	1,965	N/A	1,485	16,547
2000-2001	409	696	1,990	N/A	1,541	16,920
2001-2002	385	664	1,993	N/A	1,657	17,372
2002-2003	416	710	1,963	594	1,634	18,170
2003-2004	450	800	2,016	1,536	1,676	20,122
2004-2005	450	800	2,016	1,536	1,676	20,258
Cost Per Occupancy Day (Total Expenditures)**						
1997-1998	\$51.17	\$136.85	\$41.02	N/A	\$33.46	\$47.62
1998-1999	\$44.39	\$130.85	\$40.59	N/A	\$34.23	\$47.42
1999-2000	\$45.82	\$133.09	\$40.87	N/A	\$35.49	\$47.16
2000-2001	\$49.13	\$105.50	\$41.13	N/A	\$36.37	\$49.00
2001-2002	\$51.94	\$99.58	\$41.82	N/A	\$37.12	\$49.24
2002-2003	\$52.65	\$97.78	\$42.83	\$43.53	\$37.85	\$50.91
2003-2004	\$53.57	\$95.86	\$43.00	\$44.64	\$39.08	\$51.20
2004-2005	\$53.56	\$99.88	\$44.02	\$45.72	\$40.39	\$51.35

WCBC: Wayne County Boot Camp

HCCF: Hardeman Co. Correctional Facility

DSNF: Lois DeBerry Special Needs Facility

SCCC: South Central Correctional Center

HCCF-W: Hardeman Co. Correctional Facility - Whiteville

N/A = Indicates facilities were not in existence during the reporting period.

*Total admissions and releases are department wide and will not equal the sum of the columns due to double counting caused by movement of inmates among the facilities.

**FY 1997-98 to 2002-2003 are actual expenditures from all sources; 2003-04 to 2004-05 are estimates.

Military Department

The Military Department provides leadership, direction, and organization for the state's Army and Air National Guard and the Tennessee Emergency Management Agency. The department is organized into three functional areas:

- Administration
- National Guard
- Emergency Management.

Administration

Administration performs all fiscal and administrative duties for the department, maintains war records of all soldiers from Tennessee, and oversees the maintenance of Tennessee Army National Guard armories. The Office of the Adjutant General and the Tennessee Defense Force also operate within this division.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
341.01 Administration					
Full-Time	36	35	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	35	34	0	34
Payroll	1,733,000	1,886,500	1,814,200	0	1,814,200
Operational	361,200	356,700	333,400	445,800	779,200
Total	\$2,094,200	\$2,243,200	\$2,147,600	\$445,800	\$2,593,400
State	1,630,400	1,689,700	1,598,800	445,800	2,044,600
Federal	451,300	545,900	537,400	0	537,400
Other	12,500	7,600	11,400	0	11,400
341.10 Armories Utilities					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,090,200	3,050,700	3,114,600	0	3,114,600
Total	\$3,090,200	\$3,050,700	\$3,114,600	\$0	\$3,114,600
State	1,902,000	1,764,800	1,764,800	0	1,764,800
Federal	1,088,900	1,204,400	1,249,700	0	1,249,700
Other	99,300	81,500	100,100	0	100,100

National Guard

The National Guard's primary objective is to be prepared as a first-line reserve for the active duty Army and Air Force. The National Guard is composed of full-time and part-time personnel. At the request of the Governor, the National Guard can be called upon to assist in emergency situations such as riots, rescues, and disasters.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
341.02 Tennessee Army National Guard					
Full-Time	86	85	85	0	85
Part-Time	0	0	0	0	0
Seasonal	12	12	12	0	12
Total	98	97	97	0	97
Payroll	3,779,900	4,827,900	4,827,900	0	4,827,900
Operational	1,520,900	3,643,600	3,204,700	0	3,204,700
Total	\$5,300,800	\$8,471,500	\$8,032,600	\$0	\$8,032,600
State	743,800	946,000	784,200	0	784,200
Federal	3,886,200	7,018,000	6,690,600	0	6,690,600
Other	670,800	507,500	557,800	0	557,800

341.03 Tennessee Air National Guard

Full-Time	201	208	208	0	208
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	201	208	208	0	208
Payroll	6,030,100	7,819,100	7,819,100	0	7,819,100
Operational	3,447,300	4,235,800	4,212,800	0	4,212,800
Total	\$9,477,400	\$12,054,900	\$12,031,900	\$0	\$12,031,900
State	1,360,800	1,520,400	1,507,800	0	1,507,800
Federal	8,113,700	10,529,800	10,519,400	0	10,519,400
Other	2,900	4,700	4,700	0	4,700

341.07 Armories Maintenance

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,155,100	3,728,800	3,841,100	0	3,841,100
Total	\$2,155,100	\$3,728,800	\$3,841,100	\$0	\$3,841,100
State	706,300	736,600	736,600	0	736,600
Federal	1,147,900	2,852,700	2,852,700	0	2,852,700
Other	300,900	139,500	251,800	0	251,800

Emergency Management

The Tennessee Emergency Management Agency (TEMA) is responsible for directing and assisting state and local governments in times of man-made or natural disasters. Its purpose is to warn of possible disasters and to protect the lives and property of Tennessee citizens and visitors should such an event occur.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
341.04 Tennessee Emergency Management Agency					
Full-Time	98	104	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	98	104	102	0	102
Payroll	4,259,100	4,824,200	4,746,400	0	4,746,400
Operational	7,259,900	57,745,700	56,932,900	0	56,932,900
Total	\$11,519,000	\$62,569,900	\$61,679,300	\$0	\$61,679,300
State	2,029,200	2,971,400	2,279,700	0	2,279,700
Federal	8,176,000	58,504,900	58,536,000	0	58,536,000
Other	1,313,800	1,093,600	863,600	0	863,600
341.09 TEMA Disaster Relief Grants					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	18,600	0	0	0	0
Operational	19,109,800	5,000,000	5,000,000	0	5,000,000
Total	\$19,128,400	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	3,401,900	0	0	0	0
Federal	15,726,500	5,000,000	5,000,000	0	5,000,000
Other	0	0	0	0	0
341.00 Department Total					
Full-Time	421	432	429	0	429
Part-Time	0	0	0	0	0
Seasonal	12	12	12	0	12
Total	433	444	441	0	441
Payroll	15,820,700	19,357,700	19,207,600	0	19,207,600
Operational	36,944,400	77,761,300	76,639,500	445,800	77,085,300
Total	\$52,765,100	\$97,119,000	\$95,847,100	\$445,800	\$96,292,900
State	11,774,400	9,628,900	8,671,900	445,800	9,117,700
Federal	38,590,500	85,655,700	85,385,800	0	85,385,800
Other	2,400,200	1,834,400	1,789,400	0	1,789,400

Tennessee Bureau of Investigation

The Tennessee Bureau of Investigation (TBI) is responsible for assisting the District Attorneys General and local law enforcement agencies in the investigation and prosecution of criminal offenses. The bureau's operations are organized into five divisions:

- Administrative Services
- Criminal Investigations
- Drug Investigations
- Forensic Services
- Information Systems.

The Administrative Services division provides overall direction and support for the bureau. This area performs legal, personnel, payroll, fiscal, and administrative support services for the agency.

The Criminal Investigation division was created to provide expertise in investigative support to district attorneys and state and local law enforcement agencies. The division serves as an independent investigative body for investigating public corruption and misconduct at all levels of government, as well as provider fraud and patient abuse within the TennCare system. Additionally, the division is responsible for gathering and disseminating intelligence on criminal activity, including terrorism, fugitives, and drug trafficking.

The Drug Investigations division has original jurisdiction to investigate violations of Tennessee's drug control laws. The section's special agents are each assigned to one of four regional investigative units. Each unit initiates and investigates their own cases, targeting upper- and mid-level drug violators and drug distribution organizations. In addition, the Drug Investigations section works with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation to ensure that all agencies are mutually supportive.

Forensic Services provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories located in Nashville, Knoxville, and Memphis. The main laboratory in Nashville specializes in DNA/serology, toxicology, latent fingerprint examination, ballistics analysis, and microanalysis testing. Drug chemistry and blood alcohol analysis are performed at all TBI labs.

The Information Systems division provides support to investigative activities through records management, systems operations, fingerprint identification, and uniform crime reporting. The operation of these services is housed in the Tennessee Crime Information Center, along with various computer systems for criminal, investigative, and forensic information.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	473	441	451	7	458
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	473	441	451	7	458
Payroll	22,090,400	22,781,300	22,692,800	337,900	23,030,700
Operational	23,010,700	27,978,000	20,974,400	165,200	21,139,600
Total	\$45,101,100	\$50,759,300	\$43,667,200	\$503,100	\$44,170,300
State	26,484,100	26,107,000	24,566,300	503,100	25,069,400
Federal	7,407,400	10,991,300	7,581,200	0	7,581,200
Other	11,209,600	13,661,000	11,519,700	0	11,519,700

Department of Safety

The Department of Safety works to provide safe highways for Tennessee's citizens and visitors by strictly enforcing the laws governing the use of state and federal roads. The department also provides services to motorists including drivers license issuance, titling and registration, public safety education, and training assistance to local law enforcement officers. Responsibilities of the department focus on the following areas:

- Administrative and support services
- Driver license issuance
- Enforcement
- Education
- Titling and registration
- Technical services.

Administrative and Support Services

The Administrative and Support Services area is responsible for the overall administration of the department and for providing basic support services for departmental operations. The legal section provides general legal counsel and administers asset forfeiture cases generated from the Drug Control Act. This area also provides fiscal, personnel, supply, and internal audit functions.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
349.01 Administration					
Full-Time	107	89	89	0	89
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	89	89	0	89
Payroll	4,606,000	4,514,900	4,244,300	10,000	4,254,300
Operational	1,938,600	1,738,900	1,692,300	0	1,692,300
Total	\$6,544,600	\$6,253,800	\$5,936,600	\$10,000	\$5,946,600
State	6,060,700	5,907,800	5,440,600	10,000	5,450,600
Federal	0	0	0	0	0
Other	483,900	346,000	496,000	0	496,000
349.07 Motor Vehicle Operations					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	7,239,900	7,238,000	7,189,900	42,700	7,232,600
Total	\$7,239,900	\$7,238,000	\$7,189,900	\$42,700	\$7,232,600
State	7,181,300	7,178,000	7,129,900	42,700	7,172,600
Federal	0	0	0	0	0
Other	58,600	60,000	60,000	0	60,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
349.12 Major Maintenance					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	289,000	240,000	200,000	0	200,000
Total	\$289,000	\$240,000	\$200,000	\$0	\$200,000
State	249,000	200,000	200,000	0	200,000
Federal	0	0	0	0	0
Other	40,000	40,000	0	0	0

Driver License Issuance

Driver License Issuance has the responsibility of issuing drivers licenses to all persons who qualify under the Classified and Commercial Driver's License Act. The handgun permit program is also administered through this division.

349.02 Driver License Issuance

Full-Time	287	287	287	0	287
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	300	300	300	0	300
Payroll	8,892,600	9,594,000	9,365,700	900	9,366,600
Operational	8,080,200	10,575,300	9,211,900	554,500	9,766,400
Total	\$16,972,800	\$20,169,300	\$18,577,600	\$555,400	\$19,133,000
State	600,400	2,301,700	1,020,500	555,400	1,575,900
Federal	40,400	765,600	455,100	0	455,100
Other	16,332,000	17,102,000	17,102,000	0	17,102,000

Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions.

The Tennessee Highway Patrol (THP) enforces all motor vehicle and driver license laws, investigates accidents, provides assistance to motorists, and assists other police organizations in unusual assignments. The Capitol Security division of the THP is responsible for the security of the State Capitol, Legislative Plaza, War Memorial Building, and other state office buildings in Davidson County. The Executive Protection Detail of THP provides security for the First Family, Lieutenant Governor, Speaker of the House, and Attorney General.

Within the THP, the Commercial Vehicle Enforcement Division governs the operation of commercial vehicles with priority being placed on dimension and weight limits, inspection, licenses, permits, and motor vehicle tax requirements. The pupil transportation section is responsible for the inspection of all school buses and day care vans, and for the training of school bus drivers. The THP also maintains radio contact between all field officers and dispatch centers

in the state, thereby providing emergency service to motorists and enabling officers to request support when needed.

The Criminal Investigations Division (C.I.D.) is charged with investigating, preventing, and prosecuting violations of Tennessee's auto theft laws, and provides investigative support on felony cases. This is accomplished through auto theft investigations, odometer fraud investigations, and the inspection of rebuilt motor vehicles. It also trains local law enforcement agencies in identifying and investigating such crimes.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
349.03 Highway Patrol					
Full-Time	1,124	1,124	1,124	0	1,124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,124	1,124	1,124	0	1,124
Payroll	60,011,800	62,014,900	61,387,000	2,062,500	63,449,500
Operational	16,222,500	23,231,900	17,718,200	0	17,718,200
Total	\$76,234,300	\$85,246,800	\$79,105,200	\$2,062,500	\$81,167,700
State	68,758,600	73,863,900	69,445,300	2,062,500	71,507,800
Federal	4,228,700	5,549,900	5,554,900	0	5,554,900
Other	3,247,000	5,833,000	4,105,000	0	4,105,000
349.06 Auto Theft Investigations					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,400	350,100	350,100	0	350,100
Total	\$38,400	\$350,100	\$350,100	\$0	\$350,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	38,400	350,100	350,100	0	350,100
349.14 C.I.D. Anti-Theft Unit					
Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	681,900	692,000	692,000	26,800	718,800
Operational	31,400	66,100	63,000	0	63,000
Total	\$713,300	\$758,100	\$755,000	\$26,800	\$781,800
State	709,600	758,100	755,000	26,800	781,800
Federal	3,700	0	0	0	0
Other	0	0	0	0	0

Education

The Driver and Motorcycle Rider Education programs use the news media, pamphlets, films, videotapes, and other instructional materials to educate the motoring public regarding the safe operation of their vehicles.

The Tennessee Law Enforcement Training Academy provides training for all state and local enforcement recruits, excluding those in the four major metropolitan areas. Specialized training for graduated officers is offered in all areas of law enforcement, including topics such as criminal investigations, drug trafficking, traffic control, officer management training, survival techniques, gang enforcement, domestic violence, school violence management, and school officer training.

The Academy staffs the Tennessee Peace Officers Standards and Training (P.O.S.T.) Commission which is responsible for enforcing standards and training for all local police officers. This commission also administers the police officer salary supplement program to all eligible police officers.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
349.04 Motorcycle Rider Education					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	62,500	99,500	99,500	0	99,500
Operational	58,400	84,100	83,800	0	83,800
Total	\$120,900	\$183,600	\$183,300	\$0	\$183,300
State	120,900	183,600	183,300	0	183,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
349.08 Driver Education					
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	107,300	133,400	133,400	3,000	136,400
Operational	14,000	101,400	100,900	0	100,900
Total	\$121,300	\$234,800	\$234,300	\$3,000	\$237,300
State	121,300	234,800	234,300	3,000	237,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
349.09 Tennessee Law Enforcement Training Academy					
Full-Time	26	25	25	0	25
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	27	26	26	0	26

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	1,190,600	1,338,400	1,254,400	35,600	1,290,000
Operational	1,591,900	2,087,700	2,031,900	0	2,031,900
Total	\$2,782,500	\$3,426,100	\$3,286,300	\$35,600	\$3,321,900
State	2,023,200	2,521,200	2,381,400	35,600	2,417,000
Federal	0	0	0	0	0
Other	759,300	904,900	904,900	0	904,900

349.10 P.O.S.T. Commission

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	74,000	92,300	87,300	0	87,300
Operational	6,947,000	6,592,700	6,263,100	0	6,263,100
Total	\$7,021,000	\$6,685,000	\$6,350,400	\$0	\$6,350,400
State	7,021,000	6,685,000	6,350,400	0	6,350,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Titling and Registration

Titling and Registration is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating vehicle registration renewals through the county clerks.

349.11 Titling and Registration

Full-Time	182	160	160	22	182
Part-Time	7	0	0	0	0
Seasonal	0	0	0	0	0
Total	189	160	160	22	182
Payroll	5,580,000	5,679,000	5,679,000	932,000	6,611,000
Operational	12,665,400	18,774,200	12,865,400	10,056,100	22,921,500
Total	\$18,245,400	\$24,453,200	\$18,544,400	\$10,988,100	\$29,532,500
State	10,374,700	16,553,200	10,964,400	10,988,100	21,952,500
Federal	0	0	0	0	0
Other	7,870,700	7,900,000	7,580,000	0	7,580,000

Technical Services

Technical Services is responsible for supporting the general record and data needs arising from legislative mandates, as well as the specific public safety need to protect the public from financially irresponsible and hazardous drivers. This division is divided into four service areas: financial responsibility, information systems, driver improvement, and crash analysis. Through the financial responsibility program, the driving privileges of drivers convicted of statutory offenses are revoked or suspended. Statutory offenses include failure to appear in court, failure to pay fines, and court costs after conviction. This division also certifies the financial responsibility of drivers convicted of certain offenses or involved in accidents.

Responsibilities of the Information Systems division include the installation and maintenance of computer hardware; design and development of new computer systems; management of departmental databases for driver license and title and registration transactions; and for researching, acquiring, and implementing new technologies.

Driver improvement evaluates the driving records of Tennessee drivers in order to identify high-risk drivers and to establish procedures for their rehabilitation. The crash analysis section processes traffic crash reports for the THP and all other public agencies that investigate traffic crashes occurring in Tennessee.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
349.13 Technical Services					
Full-Time	181	162	162	0	162
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	181	162	162	0	162
Payroll	5,817,300	5,932,200	6,042,400	7,200	6,049,600
Operational	3,234,300	3,842,400	3,617,600	0	3,617,600
Total	\$9,051,600	\$9,774,600	\$9,660,000	\$7,200	\$9,667,200
State	2,347,300	2,135,500	2,020,900	7,200	2,028,100
Federal	0	0	0	0	0
Other	6,704,300	7,639,100	7,639,100	0	7,639,100
349.00 Department Total					
Full-Time	1,923	1,863	1,863	22	1,885
Part-Time	21	14	14	0	14
Seasonal	0	0	0	0	0
Total	1,944	1,877	1,877	22	1,899
Payroll	87,024,000	90,090,600	88,985,000	3,078,000	92,063,000
Operational	58,351,000	74,922,800	61,388,100	10,653,300	72,041,400
Total	\$145,375,000	\$165,013,400	\$150,373,100	\$13,731,300	\$164,104,400
State	105,568,000	118,522,800	106,126,000	13,731,300	119,857,300
Federal	4,272,800	6,315,500	6,010,000	0	6,010,000
Other	35,534,200	40,175,100	38,237,100	0	38,237,100

Law, Safety and Correction

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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306.00 District Public Defenders Conference

306.01 District Public Defenders

Performance Information

Standard: Maintain a reasonable caseload per attorney ratio. Optimum caseload rate would be 400 cases per attorney per year.

Measure: Number of cases per attorney.

	553	553	553
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Standard: Maintaining a low turnover rate. Optimum turnover rate would be 5% per year.

Measure: Attorney turnover rate per year.

	8%	8%	8%
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Standard: Provide adequate and regular training for both new Public Defenders and experienced litigators. The optimum percentage of attorneys gaining additional training would be 50% per year.

Measure: Percentage of attorneys who attend in excess of their required 15 hours of continuing legal education.

	36%	36%	36%
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306.03 Executive Director

Performance Information

Standard: Achieving the maximum use of cutting-edge technology in the office and courtroom in order to increase efficiency of the criminal justice system. Optimum percentage of responses within 24 hours would be 100%.

Measure: Percent of Network Administration calls with a twenty-four hour or less response time.

	98%	98%	98%
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308.00 Office of the Post-Conviction Defender

308.00 Office of the Post-Conviction Defender

Performance Information

Standard: Attorneys must receive Continuing Legal Education (CLE) in criminal law (12 hours/year), ethics training (3 hours per year), and periodically attend the national conference.

Measure: Number of attorneys receiving appropriate training.

	5	6	6
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Standard: Investigators should receive appropriate training (8 hours per year) and attend death penalty or criminal justice seminar(s) every three years.

Measure: Number of investigators receiving appropriate training.

	0	5	5
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316.03 Alcoholic Beverage Commission

316.03 Alcoholic Beverage Commission

Performance Information

Standard: Inspections and Licensing.

Measure: Total Inspections of retail, wholesale, winery, and Liquor by the Drink establishments.

	3,539	3,612	3,612
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Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Issue licenses to Liquor by the Drink establishments.			
Measure: Licenses issued to Liquor by the Drink establishments (Restaurant, Hotels, Etc.).	2,054	2,100	2,100
Standard: Issue licenses to private clubs.			
Measure: Licenses issued to private clubs.	238	240	240
Standard: Issue licenses to caterers.			
Measure: Licenses issued to caterers.	70	75	75
Standard: Issue licenses to retail package stores.			
Measure: Licenses issued to retail package stores.	483	490	490
Standard: Issue licenses to wholesalers.			
Measure: Licenses issued to wholesalers.	20	20	20
Standard: Issue licenses to non-resident distributors.			
Measure: Licenses issued to non-resident distributors.	644	650	650
Standard: Issue licenses to wineries.			
Measure: Licenses issued to wineries.	27	27	27
Standard: Issue licenses to distillers.			
Measure: Licenses issued to distillers.	3	3	3
Standard: Enforce Tennessee law.			
Measure: Governor's Marijuana Task Force plants eradicated.	485,750	486,000	486,000
Standard: Oversee Server Training Program.			
Measure: Number of servers trained.	24,363	25,000	25,000
Standard: Oversee Server Training Program.			
Measure: Number of server trainers licensed.	235	240	240
Standard: Oversee Server Training Program.			
Measure: Number of classes inspected.	238	240	240

Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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316.08 TRICOR

316.08 TRICOR

Performance Information

Standard: Increase inmate employment.

Measure: Number of Inmates employed.

	896	971	1,206
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Standard: Enhance Inmate Outplacement Program.

Measure: Percentage of eligible of inmates placed.

	74%	85%	87%
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Standard: Improve product quality.

Measure: Number of customer complaints.

	117	106	100
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Standard: Increase dairy production.

Measure: Gallons of milk produced per cow.

	1,738	1,750	1,775
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316.09 Corrections Institute

316.09 Corrections Institute

Program Information

Objective: Inspect all local jails

Quantity or Quality: Local jail inspections.

	123	130	130
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Objective: Provide training to local correctional personnel.

Quantity or Quality: Total training hours provided.

	60,504	60,000	60,000
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324.00 Board of Probation and Parole

324.02 Probation and Parole Services

Performance Information

Standard: Increase safety of officers.

Measure: Percent of officers provided safety training.

	4%	4%	4%
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Standard: Increase safety of officers.

Measure: Percentage of officers with cell phones.

	56%	56%	56%
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Standard: Reduce reincarceration of offenders solely on technical parolee or probation violations.

Measure: Maintain success rate at or above 70%.

	74%	74%	74%
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Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
324.04 Community Correction			
Performance Information			
Standard: Review outcome measurements against contract requirements and make recommendations for improvement.			
Measure: Active caseload size.	31	35	33
329.00 Correction			
329.01 Administration			
Performance Information			
Standard: Maintain compliance of institutions/facilities/programs audited by the American Correctional Association (ACA).			
Measure: Percent of institutions/facilities/programs in compliance with ACA standards.	100%	100%	100%
Standard: Final compliance score given by the American Correctional Association Commission Panel.			
Measure: The final compliance score given by the American Correctional Association Commission Panel.	96.50%	97.00%	97.25%
Program Information			
Objective: Provide administrative oversight to all department programs for the support of the felon population.			
Quantity or Quality: Inmate population.	18,170	20,138	20,138
329.04 State Prosecutions			
Performance Information			
Standard: Process invoices promptly.			
Measure: The percentage of invoices processed within 45 days of receipt.	95%	100%	100%
Program Information			
Objective: To make payments to counties and/or cities for housing state felons.			
Quantity or Quality: Percentage of payments made in conformance with F&A policies and procedures.	100%	100%	100%
329.06 Correction Academy			
Performance Information			
Standard: Increase number of training hours delivered for preservice, inservice, and specialty course personnel by 27,355.			
Measure: Total training hours delivered for preservice, inservice, and specialty course personnel.	428,499	455,854	455,854
Standard: Decrease the number of deficiencies received on the annual Fire Marshall report.			
Measure: Fire Marshall's report, deficiencies.	2	1	0

Law, Safety and Correction Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Decrease the number of deficiencies received on the Internal Audit results.			
Measure: Internal Audit results, deficiencies.	2	2	0
Standard: Increase the annual inspection results score.			
Measure: Annual inspection results.	99%	100%	100%

Program Information

Objective: To provide training necessary to ensure the safe and efficient operation of our prison facilities and to enhance the professionalism and career development of all employees.			
Quantity or Quality: Number of staff.	5,220	5,159	5,156

329.08 Wayne County Boot Camp

Performance Information

Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	82%	68%	79%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	98	101	95
Standard: Maintain the number of institutional escapes.			
Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	1.82%	1.20%	1.20%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	3%	3%	3%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results.	98.5%	98.6%	98.7%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit report, deficiencies.	3	2	2
Standard: Increase the Department of Health scores.			
Measure: Department of Health report.	100	100	100
Standard: Decrease the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's report, deficiencies.	13	15	15

Law, Safety and Correction Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
329.11 Brushy Mountain Correctional Complex			
Performance Information			
Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	92%	50%	47%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	1,697	1,697	1,650
Standard: Maintain the number of institutional escapes.			
Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	2.52%	2.30%	2.30%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	9%	9%	9%
Standard: Increase compliance scores of annual inspection Results.			
Measure: Compliant annual inspection results.	95.3%	96%	97%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit report, deficiencies.	3	3	2
Standard: Increase the Department of Health scores.			
Measure: Department of Health report.	88	91	95
Standard: Decrease the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's report, deficiencies.	14	10	5
329.13 Tennessee Prison for Women			
Performance Information			
Standard: Increase GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	96%	85%	88%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	1,331	1,000	800

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Maintain the number of institutional escape.			
Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	1.29%	1.11%	1.11%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	69%	60%	60%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results.	93.4%	94%	95%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit report, deficiencies.	3	0	0
Standard: Increase the Department of Health scores.			
Measure: Department of Health report.	95	98	100
Standard: Decrease the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's report, deficiencies.	0	0	0

329.14 Turney Center Industrial Prison and Farm

Performance Information

Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	100%	94%	95%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	1,165	1,050	1,000
Standard: Maintain the number of institutional escapes.			
Measure: Institutional escapes.	1	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	8.87%	6%	6%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	10%	11%	11%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results.	98.1%	98.3%	98.5%

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Decrease the number of deficiencies on Internal Audit reports. Measure: Internal Audit report, deficiencies.	3	1	0
Standard: Increase the Department of Health scores. Measure: Department of Health report.	94	96	100
Standard: Decrease the number of deficiencies on Fire Marshal's reports. Measure: Fire Marshal's report, deficiencies.	6	3	0
329.16 Mark Luttrell Correctional Facility			
Performance Information			
Standard: Increase the GED completion rate. Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	50%	0%	80%
Standard: Reduce the number of institutional incidents. Measure: Institutional incidents.	601	550	501
Standard: Maintain the number of institutional escapes. Measure: Institutional escapes.	1	0	0
Standard: Reduce the average percent of positives received on drug tests results. Measure: Percent of positive drug tests.	0.22%	0.01%	0.01%
Standard: Maintain the rate of employee turnover. Measure: Correctional Officer turnover rate.	27%	27%	27%
Standard: Increase compliance scores of annual inspection results. Measure: Compliant annual inspection results.	93.7%	94%	95%
Standard: Decrease the number of deficiencies on Internal Audit reports. Measure: Internal Audit report, deficiencies.	10	6	0
Standard: Increase the Department of Health scores. Measure: Department of Health report.	94	95	96
Standard: Decrease the number of deficiencies on Fire Marshal's reports. Measure: Fire Marshal's Report, deficiencies.	23	20	17

Law, Safety and Correction

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
329.17 Middle Tennessee Correctional Complex			
Performance Information			
Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly. ** no testing administered during this period.	0% **	89%	93%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	1,340	1,200	1,000
Standard: Maintain the total number of institutional escapes.			
Measure: Institutional escapes.	5	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	1.7%	.01%	.01%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	34%	35%	35%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results.	91.2%	92.0%	93.0%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit report, deficiencies.	Not Available	0	0
Standard: Increase the Department of Health scores.			
Measure: Department of Health report.	91	93	95
Standard: Decrease the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's Report, deficiencies.	8	5	2
329.18 Southeastern Tenn. State Regional Corr. Facility			
Performance Information			
Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly. ** no testing administered during this period.	0% **	89%	93%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	65	60	50

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Maintain the number of institutional escapes. Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received in drug test results. Measure: Percent of positive drug tests.	1.99%	1.44%	1.44%
Standard: Maintain employee turnover rate. Measure: Correctional Officer turnover rate.	7%	7%	7%
Standard: Increase compliance scores of annual inspection Results. Measure: Compliant annual inspection results.	99.6%	99.6%	99.7%
Standard: Decrease the number of deficiencies on Internal Audit reports. Measure: Internal Audit report, deficiencies.	2	0	0
Standard: Increase the Department of Health scores. Measure: Department of Health report.	83	90	92
Standard: Maintain the number of deficiencies on Fire Marshal's reports. Measure: Fire Marshal's report, deficiencies.	0	0	0

329.21 Hardeman County Incarceration Agreement

Performance Information

Standard: Increase the GED completion rate. Measure: GED pass rate (Note: the national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.)	74%	64%	54%
Standard: Reduce the number of institutional incidents. Measure: Institutional incidents.	172	150	135
Standard: Maintain the number of institutional escapes. Measure: Institutional escapes.	0	0	0
Standard: Increase compliance scores of annual inspection results Measure: Compliant Annual Inspection results.	97.1%	97.3%	97.5%
Standard: Increase the Department of Health scores. Measure: Department of Health report.	91	95	95
Standard: Decrease the number of deficiencies on the Fire Marshal's report Measure: Fire Marshal's report, deficiencies.	12	0	0

Law, Safety and Correction

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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Program Information

Objective: Administration of monitoring activities of the Hardeman County contract is in compliance with state financial policies and procedures.

Quantity or Quality: Percentage of monitors compliance with state financial policies and procedures.

100%	100%	100%
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329.22 Hardeman County Agreement - Whiteville

Performance Information

Standard: Increase the GED completion rate.

Measure: GED pass rate (Note: the national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.)

Not Available	95%	96%
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Standard: Reduce the number of institutional incidents.

Measure: Institutional incidents.

Not Available	120	108
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Standard: Maintain number of institutional escapes.

Measure: Institutional escapes.

0	0	0
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Standard: Increase compliance scores of annual inspection results.

Measure: Compliant annual inspection results.

Not Available	75%	90%
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Standard: Increase the Department of Health scores

Measure: Department of Health report.

Not Available	92	95
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Standard: Decrease the number of deficiencies on the Fire Marshal's report.

Measure: Fire Marshal's report, deficiencies.

Not Available	20	0
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Program Information

Objective: Administration of monitoring activities of the Whiteville Correctional Facility contract is in compliance with state financial policies and procedures.

Quantity or Quality: Percentage of monitors compliance with state financial policies and procedures.

Not Available	100%	100%
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329.32 Major Maintenance

Performance Information

Standard: Resolve all security system calls within 48 hours.

Measure: Percent of security system calls resolved within 48 hours.

100%	100%	100%
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Program Information

Objective: Resolve all security system calls within 48 hours.

Quantity or Quality: Percent of security system calls resolved within 48 hours.

100%	100%	100%
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Law, Safety and Correction Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
329.41 West Tennessee State Penitentiary			
Performance Information			
Standard: Increase participation in the Pre-Release Training.			
Measure: Pre-release participation.	111	120	160
Standard: Increase the number of inmates completing the Substance Abuse Treatment program.			
Measure: Inmate Substance Abuse Treatment program completion.	43	60	75
Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	60%	72%	75%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	5,165	5,000	4,800
Standard: Maintain the number of institutional escapes.			
Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	4.13%	3.67%	3.67%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	35.3%	35.0%	35.0%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results.	92.3%	93.0%	94.0%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit Report, deficiencies.	0	0	0
Standard: Increase the Department of Health scores.			
Measure: Department of Health report.	84.25	88.00	92.00
Standard: Decrease the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's Report, deficiencies.	14	12	10

Law, Safety and Correction Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
329.42 Riverbend Maximum Security Institution			
Performance Information			
Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	100%	92%	100%
Standard: Maintain the number of institutional incidents.			
Measure: Institutional incidents.	874	1,000	1,000
Standard: Maintain the number of institutional escapes.			
Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	1.56%	1.43%	1.43%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	46%	46%	46%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results.	93%	94%	95%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit Report, deficiencies.	4	0	0
Standard: Increase the Department of Health scores.			
Measure: Department of Health report.	88	91	95
Standard: Maintain the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's Report, deficiencies.	0	0	0
329.43 Northeast Correctional Complex			
Performance Information			
Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	100%	67%	79%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	3,600	3,600	3,500

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Maintain the number of institutional escapes. Measure: Institutional escapes.	1	0	0
Standard: Reduce the average percent of positives received on drug tests results. Measure: Percent of positive drug tests.	2.34%	2.20%	2.20%
Standard: Maintain the rate of employee turnover. Measure: Correctional Officer turnover rate.	24%	25%	25%
Standard: Increase compliance scores of annual inspection results. Measure: Compliant annual inspection results.	98.6%	98.7%	98.8%
Standard: Decrease the number of deficiencies on Internal Audit reports. Measure: Internal Audit report, deficiencies.	3	1	0
Standard: Increase the Department of Health scores. Measure: Department of Health report.	94	95	95
Standard: Decrease the number of deficiencies on Fire Marshal's reports. Measure: Fire Marshal's report, deficiencies.	1	1	0

329.44 South Central Correctional Center

Performance Information

Standard: Increase the GED completion rate. Measure: GED pass rate (Note: the national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.)	92%	69%	78%
Standard: Reduce the number of institutional incidents. Measure: Institutional incidents.	991	980	970
Standard: Maintain number of institutional escapes. Measure: Institutional escapes.	0	0	0
Standard: Increase compliance scores of annual inspection results. Measure: Compliant annual inspection results.	96.5%	96.8%	97.0%
Standard: Increase the Department of Health scores. Measure: Department of Health report (average score).	97.5	98.0	100.0
Standard: Decrease the number of deficiencies on the Fire Marshal's report Measure: Fire Marshal's reports, deficiencies.	80	50	25

Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Program Information			
Objective: Administration of monitoring activities of the South Central Correctional Center contract is in compliance with state financial policies and procedure.			
Quantity or Quality: Percentage of monitors compliance with state financial policies and procedures.			
	100%	100%	100%
329.45 Northwest Correctional Complex			
Performance Information			
Standard: Increase Anger Management Self-Help programs analysis.			
Measure: Completed Anger Management Self-Help program analysis.	73%	75%	75%
Standard: Increase Substance Abuse Self-Help programs analysis.			
Measure: Completed Substance Abuse Self-Help program analysis.	68%	70%	75%
Standard: Increase the GED completion rate.			
Measure: GED pass rate The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	75%	85%	75%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	1,225	1,220	1,200
Standard: Maintain the number of institutional escapes.			
Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	2.99%	2.75%	2.75%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	25%	25%	25%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results.	97.0%	97.3%	97.5%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit report, deficiencies.	2	0	0
Standard: Maintain the Department of Health scores.			
Measure: Department of Health report.	90	90	90
Standard: Decrease the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's report, deficiencies.	25	30	20

Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
329.46 Lois M. DeBerry Special Needs Facility			
Performance Information			
Standard: Increase the number of participants in the Sexual Offender Treatment.			
Measure: Sexual Offender Treatment participants.	88	118	138
Standard: Increase the number of mental health jobs.			
Measure: Number of mental health jobs.	238	238	288
Standard: Increase the number of participants in substance abuse treatment.			
Measure: Substance abuse treatment participants.	553	623	673
Standard: Reduce the rate of nurse staffing attrition.			
Measure: Nurse staffing attrition.	16%	13%	9%
Standard: Increase the GED completion rate.			
Measure: GED pass rate. The national format of the exam has changed resulting in more difficult content thus accounting for drops in estimate and target pass rates. TDOC plans to alter the curriculum accordingly.	100%	50%	86%
Standard: Reduce the number of institutional incidents.			
Measure: Institutional incidents.	692	675	662
Standard: Maintain the number of institutional escapes.			
Measure: Institutional escapes.	0	0	0
Standard: Reduce the average percent of positives received on drug tests results.			
Measure: Percent of positive drug tests.	0.52%	0.39%	0.39%
Standard: Maintain the rate of employee turnover.			
Measure: Correctional Officer turnover rate.	51%	50%	50%
Standard: Increase compliance scores of annual inspection results.			
Measure: Compliant annual inspection results	92.6%	93.0%	94.0%
Standard: Decrease the number of deficiencies on Internal Audit reports.			
Measure: Internal Audit report, deficiencies.	1	1	0
Standard: Increase the Department of Health scores.			
Measure: Department of Health report.	98	99	99
Standard: Decrease the number of deficiencies on Fire Marshal's reports.			
Measure: Fire Marshal's report, deficiencies.	0	0	0

Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
329.50 Sex Offender Treatment Program			
Performance Information			
Standard: Increase the number of treatment providers receiving annual training.			
Measure: Number of treatment providers receiving annual training.	400	430	460
Program Information			
Objective: Provide felons with evaluations as ordered by the court system.			
Quantity or Quality: Percentage of felons receiving evaluations ordered by court.	100%	100%	100%
329.98 Federal Construction Grants			
Performance Information			
Standard: Draw down of federal funds is accomplished as expenditures occur.			
Measure: Percentage of federal funds drawn down within the fiscal year that expenses are incurred.	100%	100%	100%
329.99 Sentencing Act of 1985			
Performance Information			
Standard: The TDOC budget office will appropriately estimate the operating costs of 100% of the proposed laws or amendments affecting sentencing length.			
Measure: The percentage of requested fiscal notes attached to proposed laws or amendments affecting length of sentencing of convicted felons.	100%	100%	100%
341.00 Military			
341.01 Administration			
Performance Information			
Standard: Reduce War Records backlog.			
Measure: Number of War Records documents scanned per day.	490	500	500
Program Information			
Objective: Process all accounting transactions.			
Quantity or Quality: Number of accounting transactions.	43,936	48,329	49,208
341.02 Army National Guard			
Performance Information			
Standard: Process and complete 85% of all maintenance requests.			
Measure: Percent of processed and completed maintenance requests.	87%	85%	85%
341.03 Air National Guard			
Performance Information			
Standard: Complete 90% of work orders received annually.			
Measure: Percentage of work orders completed.	96%	83%	90%

Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Respond to all fire and medical emergencies within federal time standards (3-4 minutes).			
Measure: Percentage of responses meeting time requirements.	100%	100%	100%
341.04 Tennessee Emergency Management Agency			
Performance Information			
Standard: Within federal guidelines, all emergency responders must be notified and begin response within 15 to 45 minutes.			
Measure: Percent of all emergency responders meeting federal time standards.	100%	100%	100%
341.07 Armories Maintenance			
Performance Information			
Standard: To maintain facilities in accordance with U.S. Army standards.			
Measure: The percentage of Military Department Army Guard facilities meeting U.S. Army standards.	66%	66%	66%
341.09 TEMA Disaster Relief Grants			
Performance Information			
Standard: To provide public assistance to those affected by disasters.			
Measure: Number of applicants.	327	75	75
 Standard: To provide public assistance to those affected by disasters.			
Measure: Number of project worksheets for disaster related restoration and repairs.	1,367	415	415
341.10 Armories Utilities			
Performance Information			
Standard: To maintain costs below the regional industrial average of \$9.00 per square foot.			
Measure: Cost per square foot.	\$0.62	\$0.60	\$0.58
348.00 Tennessee Bureau of Investigation			
 348.00 Tennessee Bureau of Investigation			
Performance Information			
Standard: Perform forensic testing as needed.			
Measure: Total forensic latent print examinations performed.	22,078	22,000	20,900
 Standard: Perform forensic testing as needed.			
Measure: Total forensic firearms identification tests performed.	6,355	6,350	6,030
 Standard: Perform forensic testing as needed.			
Measure: Total forensic drug identification tests performed.	100,031	95,830	91,040

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Decrease the number of illegal weapon sales. Measure: Stolen firearms identified (TICS).	167	175	175
Standard: Respond to criminal activity. Measure: Convictions (Drug Investigations).	629	610	610
Standard: Perform forensic testing as needed Measure: Total forensic microanalysis/arson examinations performed.	21,002	21,000	19,950
Standard: Respond to criminal activity. Measure: Cases opened (Drug Investigations).	316	305	305
Standard: Perform forensic test work in a manner that does not result in delayed court proceedings. Measure: Firearms testing backlog in weeks.	12	12	12
Standard: Perform at least one audit of each law enforcement organization within the state every three years. Measure: Law Enforcement Support Unit audits performed.	141	110	110
Standard: Perform forensic test work in a manner that does not result in delayed court proceedings. Measure: Blood alcohol testing backlog in weeks.	2	2	2
Standard: Respond to criminal activity. Measure: Cases closed (Drug Investigations).	529	515	515
Standard: Perform forensic test work in a manner that does not result in delayed court proceedings. Measure: Latent Print examination backlog in weeks.	21	25	30
Standard: Perform forensic test work in a manner that does not result in delayed court proceedings. Measure: Microanalysis/arson testing backlog in weeks.	12	12	12
Standard: Perform forensic test work in a manner that does not result in delayed court proceedings. Measure: Toxicology testing backlog in weeks.	10	10	10
Standard: Respond to criminal activity. Measure: Cases active (Drug Investigations).	877	850	850
Standard: Perform forensic testing as needed. Measure: Total forensic DNA/serology tests performed.	45,637	45,600	43,320
Standard: Maintain data integrity. Measure: Persons trained in uniform crime reporting techniques.	1,933	1,900	1,900

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Perform forensic test work in a manner that does not result in delayed court proceedings. Measure: DNA/serology examination backlog in weeks.	6	8	10
Standard: Examine computers for evidence recovery. Measure: Computers examined.	116	200	200
Standard: Decrease the number of illegal weapon sales. Measure: TICS transactions denied.	8,555	8,600	8,600
Standard: Respond to criminal activity. Measure: Cases opened (Field Investigations).	571	550	550
Standard: Respond to criminal activity. Measure: Cases active (Medicaid Fraud Control Unit).	117	115	115
Standard: Respond to criminal activity. Measure: Cases opened (Medicaid Fraud Control Unit).	49	50	50
Standard: Respond to criminal activity. Measure: Cases closed (Medicaid Fraud Control Unit).	40	40	40
Standard: Respond to criminal activity. Measure: Cases closed (Criminal Intelligence Unit).	479	450	450
Standard: Respond to criminal activity. Measure: Cases active (Criminal Intelligence Unit).	20	17	17
Standard: Train public entities on the Tennessee Information Enforcement System (TIES). Measure: TIES users trained.	2,665	2,600	2,600
Standard: Maintain the sex offender database. Measure: Sex offenders registered.	6,128	6,300	6,500
Standard: Respond to criminal activity. Measure: Convictions (Field Investigations).	261	245	245
Standard: Respond to criminal activity. Measure: Cases active (Field Investigations).	898	850	850
Standard: Maintain state fingerprint records. Measure: Volume of fingerprint cards processed.	369,338	370,000	370,000

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Respond to criminal activity. Measure: Cases opened (Criminal Intelligence Unit).	566	510	510
Standard: Decrease the number of illegal weapon sales. Measure: Wanted persons identified (TICS).	216	200	200
Standard: Respond to criminal activity. Measure: Convictions (Medicaid Fraud Control Unit).	16	20	20
Standard: Perform forensic testing as needed. Measure: Total forensic toxicology tests performed.	31,161	31,000	29,540
Standard: Perform forensic testing as needed. Measure: Total forensic blood alcohol tests performed.	12,679	12,600	11,947
Standard: Perform at least one audit of each law enforcement organization within the state every three years. Measure: Tennessee Incident Based Reporting System (TIBERS) data audits.	232	190	190
Standard: Respond to criminal activity. Measure: Cases closed (Field Investigations).	565	515	515
Standard: Perform forensic test work in a manner that does not result in delayed court proceedings. Measure: Drug testing backlog in weeks.	8	10	16
Standard: Decrease the number of illegal weapon sales. Measure: Tennessee Instant Check System (TICS) transactions approved.	195,832	200,000	200,000

349.00 Safety

Performance Information

Standard: See preceding Performance Budget Tab, the last tab in the A-numbered pages.

Measure: See preceding Performance Budget Tab.

349.01 Administration

Program Information

Objective: Maximize federal funds by obtaining new grants.

Quantity or Quality: Dollar amount of federal funds and grants.

\$5,453,753	\$10,069,300	\$7,223,400
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Objective: Administer asset forfeiture cases arising from the Drug Control Act.

Quantity or Quality: Number of property items seized.

7,365	7,400	7,500
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Law, Safety and Correction Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Administer asset forfeiture cases arising from the Drug Control Act.			
Quantity or Quality: Number of property items forfeited.	5,636	5,650	5,700
Objective: Administer asset forfeiture cases arising from Drug Control Act.			
Quantity or Quality: Dollar amount seized.	\$9,857,375	\$9,900,000	\$9,900,000
Objective: Administer asset forfeiture cases arising from the Drug Control Act.			
Quantity or Quality: Dollar amount forfeited.	\$11,674,552	\$10,000,000	\$10,000,000

349.02 Driver License Issuance

Program Information

Objective: Issue handgun carry permits.			
Quantity or Quality: Number of handgun carry permits issued.	34,735	45,280	48,164
Objective: Deny handgun carry permits to unqualified individuals.			
Quantity or Quality: Number of handgun carry permits denied.	640	702	687
Objective: Renew driver licenses and identification cards.			
Quantity or Quality: Number of licenses and identification cards renewed.	677,434	775,027	825,251
Objective: Issue driver licenses and identification cards.			
Quantity or Quality: Total licenses and identification cards issued.	1,392,319	1,490,543	1,536,729

349.03 Highway Patrol

Program Information

Objective: Promote pupil school bus safety.			
Quantity or Quality: Number of school bus drivers certified.	11,404	11,802	11,717
Objective: Provide consumers protection against odometer fraud.			
Quantity or Quality: Number of odometer tampering investigations.	129	134	136
Objective: Register freight motor vehicles.			
Quantity or Quality: Number of active accounts.	17,637	17,692	17,383
Objective: Promote pupil school bus safety.			
Quantity or Quality: Number of school bus drivers downgraded.	1,746	1,699	1,649
Objective: Train law enforcement to combat auto theft.			
Quantity or Quality: Number of officers trained in combating auto theft.	2,020	2,797	2,975
Objective: Maintain public safety and enforce the law.			
Quantity or Quality: Child restraint law citations issued by THP.	3,750	3,788	3,825

Law, Safety and Correction Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Objective: Register freight vehicles. Quantity or Quality: Number of vehicles registered.	71,219	65,987	61,418
Objective: Promote pupil school bus safety. Quantity or Quality: Number of school buses in system.	8,253	8,253	8,253
Objective: Promote pupil school bus safety. Quantity or Quality: Number of school bus inspections.	10,851	11,300	11,500
Objective: Improve commercial vehicle safety. Quantity or Quality: Total number of citations issued by CVE.	57,495	61,250	63,250
Objective: Maintain public safety and enforce the law. Quantity or Quality: Total citations issued by THP.	388,356	382,148	376,713
Objective: Maintain public safety and enforce the law. Quantity or Quality: Property damage crashes investigated.	20,130	20,331	20,533
Objective: Improve commercial vehicle safety. Quantity or Quality: Number of commercial vehicle safety inspections performed.	53,666	54,891	53,463
Objective: Maintain public safety and enforce the law. Quantity or Quality: Injury crashes investigated.	11,990	12,110	12,230
Objective: Improve commercial vehicle safety. Quantity or Quality: Number of overweight assessments.	8,475	8,528	7,943
Objective: Maintain public safety and enforce the law. Quantity or Quality: Fatal crashes investigated.	511	514	515
Objective: Improve commercial vehicle safety. Quantity or Quality: Number of trucks weighed.	10,890,874	11,088,572	10,992,031

349.04 Motorcycle Rider Education

Program Information

Objective: Promote motorcycle rider safety. Quantity or Quality: Number of instructors trained.	127	130	133
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349.06 Auto Theft Investigations

Program Information

Objective: Sale of seized vehicles should offset operational anti-theft expenses. Quantity or Quality: Number of vehicles seized.	375	190	210
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Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
349.09 Tennessee Law Enforcement Training Academy			
Program Information			
Objective: Train law enforcement personnel.			
Quantity or Quality: Number of officers trained in specialized schools.	1,901	1,842	1,743
349.11 Titling and Registration			
Program Information			
Objective: Process titles for vehicles.			
Quantity or Quality: Number of titles issued.	2,173,241	2,216,700	2,261,000
Objective: Process vehicle registrations.			
Quantity or Quality: Number of registrations processed.	5,577,314	5,725,308	5,720,524
Objective: Discharge liens.			
Quantity or Quality: Number of liens discharged.	237,068	220,666	187,131
Objective: Collect fees for T&R applications.			
Quantity or Quality: Dollar amount of fees for T&R applications.	\$170,466,230	\$174,831,759	\$179,794,605
349.13 Technical Services			
Program Information			
Objective: Conduct hearings for problem drivers.			
Quantity or Quality: Number of driver improvement hearings held.	14,138	8,483	8,907
Objective: Analyze and maintain official copies of all reportable crashes.			
Quantity or Quality: Number of crash reports processed.	267,591	270,000	278,000
Objective: Reinstate driver licenses.			
Quantity or Quality: Number of reinstatement transactions entered on driver records.	164,371	169,243	168,535
Objective: Manage the driver license database.			
Quantity or Quality: Number of valid driver license files on database.	4,300,000	4,400,000	4,500,000
Objective: Revoke, suspend, or cancel driver licenses.			
Quantity or Quality: Number of revoked, suspended, and/or cancelled transactions entered on driver records.	246,293	240,688	239,466
Objective: Revoke, suspend, or cancel driver licenses.			
Quantity or Quality: DUI offenses as a percentage of total licenses revoked, suspended, or cancelled.	10.8%	10.6%	10.4%

Law, Safety and Correction

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
349.14 C.I.D. Anti-Theft Unit			
Program Information			
Objective: Inspect salvage or rebuilt vehicles.			
Quantity or Quality: Number of vehicles inspected.	4,747	5,456	5,849
Objective: Regulate the salvage industry.			
Quantity or Quality: Number of salvage yard audits and/or inspections.	143	80	90

Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2004 – 2005

The Resources and Regulation functional group includes eight agencies that promote and protect the state's natural, historical, and cultural resources and its consumers and workers.

Three departments promote consumer protection and safety in the work place:

- Department of Commerce and Insurance
- Department of Financial Institutions
- Department of Labor and Workforce Development.

These departments regulate and promote education in businesses and occupations to ensure professionalism and consumer safety; regulate insurance, commercial banking, and money-lending industries to ensure soundness and protect the interests of depositors and policy-holders; and regulate the work-place to ensure worker health and safety, fair wages, and compensation for work-related injuries.

Three agencies promote and protect cultural and historical resources:

- Tennessee Arts Commission
- Tennessee State Museum
- Tennessee Historical Commission.

Together, these agencies promote interest, education, and participation in the arts through financial support to artists and supporters of the arts; protect and preserve artifacts that are significant to our natural and cultural history; and promote the preservation of and public access to historical sites across the state through purchase and financial support.

The following two agencies promote and ensure the conservation of Tennessee's agricultural, environmental, and natural resources:

- Department of Environment and Conservation
- Tennessee Wildlife Resources Agency.

These agencies promote preservation of the state's environmental resources, protection from hazardous waste and radiation exposure, and reclamation of abandoned lands; promote recreation on public and private lands, including the state's geological, archaeological, and park resources; protect and conserve all species of wildlife native to the state; administer hunting and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

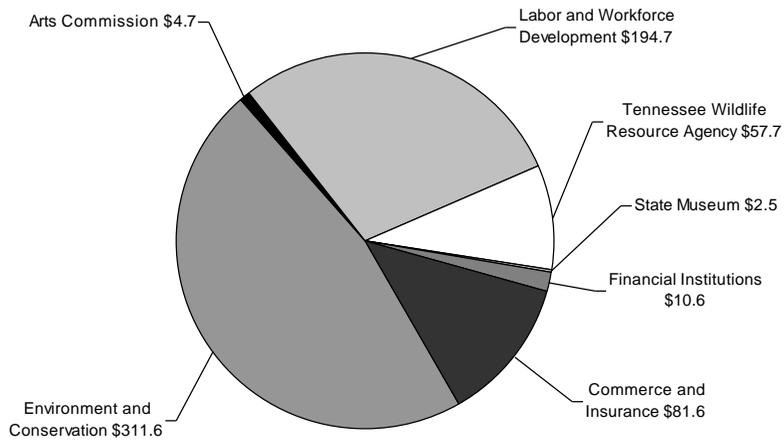
Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within the functional group. Funding mixes within each department vary,

as some are exclusively state funded, while others represent state, federal, and other sources of funding.

Resources and Regulation FY 2004 - 2005 Recommended



In Millions
\$663,334,000 Total

Resources and Regulation Total Personnel and Funding

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
Personnel			
Full Time	5,364	5,372	5,395
Part Time	903	902	891
Seasonal	588	585	522
TOTAL	<u>6,855</u>	<u>6,859</u>	<u>6,808</u>
Expenditures			
Payroll	\$219,752,900	\$258,309,700	\$258,846,800
Operational	350,768,300	424,759,800	404,487,200
TOTAL	<u>\$570,521,200</u>	<u>\$683,069,500</u>	<u>\$663,334,000</u>
Funding			
State	\$225,770,000	\$263,330,100	\$279,687,500
Federal	200,377,800	246,441,200	249,529,900
Other	144,373,400	173,298,200	134,116,600

Resources and Regulation Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
State Museum					
• Security					
To provide funding for additional contract security guards in order to protect the State's artifact collection and visitors to the museum. This is necessary because of the new museum elevator entrances.					
316.27 State Museum	\$84,000	\$0	\$0	\$84,000	0
Sub-total	\$84,000	\$0	\$0	\$84,000	0
Total State Museum	\$84,000	\$0	\$0	\$84,000	0
Environment and Conservation					
• Land Acquisition Funds					
To provide funds for state lands acquisition and local parks land acquisition. These non-recurring appropriations are from a \$10 million allocation of the real estate transfer tax. The appropriation for each fund is a pro-rata share of \$10 million derived from the allocation of a pro-rata share of the 8 cents stated in law. Local parks land acquisition receives a 1.75-cent share and state lands acquisition receives a 1.5-cent share of the 8 cents.					
327.19 Local Parks Acquisition Fund	\$2,187,500	\$0	\$0	\$2,187,500	0
327.20 State Lands Acquisition Fund	\$1,875,000	\$0	\$0	\$1,875,000	0
Sub-total	\$4,062,500	\$0	\$0	\$4,062,500	0
• Leaking Underground Storage Tanks					
To provide a general fund subsidy to partially pay for the existing liability in the Leaking Underground Storage Tanks program. Current dedicated fees are not sufficient to cover this backlog. The tank program reimburses claimants, less the required deductibles, for clean-up costs associated with the remediation of petroleum contamination, and pays third-party claims for bodily injury and property damage caused by the tanks. This appropriation is non-recurring.					
327.41 Underground Storage Tanks	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Automobile Inspection					
To provide funding for 21 positions to assist in automobile inspection and maintenance programs in order to meet new U.S. Environmental Protection Agency air quality rules. The appropriation is from dedicated fees.					
327.31 Air Pollution Control	\$0	\$0	\$1,363,700	\$1,363,700	21
327.43 Environmental Protection Fund	\$1,363,700	\$0	\$0	\$1,363,700	0
Sub-total	\$1,363,700	\$0	\$1,363,700	\$2,727,400	21

Resources and Regulation Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Lead Hazard					
To provide funding for two federally-funded environmental specialist positions to assist with inspections of lead-based paint projects, inspections of schools, and risk assessment investigations for lead-poisoned children.					
327.35 Solid Waste Management	\$0	\$98,900	\$0	\$98,900	2
Sub-total	\$0	\$98,900	\$0	\$98,900	2
• Homeland Security					
To provide funding for two federally-funded clerical positions to assist water suppliers in conducting security vulnerability assessments of public water systems. This will prevent contamination of public water systems.					
327.39 Water Supply	\$0	\$78,600	\$0	\$78,600	2
Sub-total	\$0	\$78,600	\$0	\$78,600	2
• Historical Publication Grants					
To provide increased grants for publications partly funded by the Historical Commission.					
327.04 Historical Commission	\$40,000	\$0	\$0	\$40,000	0
Sub-total	\$40,000	\$0	\$0	\$40,000	0
Total Environment and Conservation	\$15,466,200	\$177,500	\$1,363,700	\$17,007,400	25

Tennessee Wildlife Resource Agency

• Wetlands Acquisition					
To provide funds for wetlands acquisition, including an amount for in-lieu of tax payments on state-owned wetlands. These non-recurring appropriations are from a \$10 million allocation of the real estate transfer tax. The appropriation for the wetlands funds is a pro-rata share of \$10 million derived from the allocation of a pro-rata share of the 8 cents stated in law. The wetlands funds receive a 3.25-cent share of the 8 cents.					
328.03 Wetlands Acquisition Fund	\$3,747,500	\$0	\$0	\$3,747,500	0
328.04 Wetlands Compensation Fund	\$315,000	\$0	\$0	\$315,000	0
Sub-total	\$4,062,500	\$0	\$0	\$4,062,500	0
• Salary Increase					
To provide funding for salary increases for the agency's officers, biologists, and other unique positions, as authorized by TCA 70-1-309. This appropriation will fund half of the border state survey salary increase for fiscal year 2004-2005.					
328.01 Wildlife Resources Agency	\$771,100	\$0	\$0	\$771,100	0
328.02 Boating Safety	\$105,200	\$0	\$0	\$105,200	0
Sub-total	\$876,300	\$0	\$0	\$876,300	0

Resources and Regulation Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total Tennessee Wildlife Resource Agency	\$4,938,800	\$0	\$0	\$4,938,800	0

Commerce and Insurance

- **Legal Services**

To provide funding for one attorney position to improve the department's ability to address increased responsibilities and caseloads.

335.01 Administration	\$0	\$0	\$75,700	\$75,700	1
335.02 Insurance	\$0	\$0	\$12,200	\$12,200	0
335.03 Fire Prevention	\$0	\$0	\$16,500	\$16,500	0
335.04 TennCare Oversight	\$0	\$0	\$3,700	\$3,700	0
335.05 Securities	\$0	\$0	\$2,000	\$2,000	0
335.08 911 Emergency Communications Fund	\$3,500	\$0	\$0	\$3,500	0
335.10 Regulatory Boards	\$35,800	\$0	\$0	\$35,800	0
Sub-total	\$39,300	\$0	\$110,100	\$149,400	1

- **Bomb and Arson Investigation**

To provide funding for three arson investigators to assist with activities carried out by the Bomb and Arson section. These positions will address an increase in volume and responsibilities required to ensure fire safety in Tennessee.

335.03 Fire Prevention	\$0	\$0	\$189,100	\$189,100	3
Sub-total	\$0	\$0	\$189,100	\$189,100	3

- **Regulatory Boards**

To provide funding for five administrative positions within the Regulatory Boards Division. Two licensing technicians will assist with processing of applications for armed security guards and proprietary security organizations. An administrative assistant will act as liaison with the department's fiscal staff, board officers, and the Department of Revenue. Additionally, this improvement will fund a new director for both the employee leasing program and the private probation services program. The appropriation is from dedicated fees assessed by the regulatory boards.

335.10 Regulatory Boards	\$264,700	\$0	\$0	\$264,700	5
Sub-total	\$264,700	\$0	\$0	\$264,700	5

Total Commerce and Insurance	\$304,000	\$0	\$299,200	\$603,200	9
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Resources and Regulation Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Financial Institutions					
• Bank and Compliance Examiners					
To provide funding for five additional bank examiners and four additional compliance examiners. The bank examiner positions will assist with the supervision and inspection of state-chartered banks, savings and loans associations, and trust companies, while the compliance examiner positions will assist with examination of the industrial loan and thrift companies. The appropriation is from dedicated fees assessed on the regulated institutions.					
336.00 Financial Institutions	\$279,200	\$0	\$212,400	\$491,600	9
Sub-total	\$279,200	\$0	\$212,400	\$491,600	9
• Operations					
To provide funding for two positions to assist with activities carried out by the administrative and legal sections and for operational costs. This appropriation is from dedicated fees assessed on the regulated institutions.					
336.00 Financial Institutions	\$350,200	\$0	\$38,900	\$389,100	2
Sub-total	\$350,200	\$0	\$38,900	\$389,100	2
• Communications and Technology					
To provide funding to replace computer equipment that is no longer compatible with current software requirements. This appropriation is from dedicated fees assessed on the regulated institutions.					
336.00 Financial Institutions	\$133,500	\$0	\$15,200	\$148,700	0
Sub-total	\$133,500	\$0	\$15,200	\$148,700	0
Total Financial Institutions	\$762,900	\$0	\$266,500	\$1,029,400	11

Labor and Workforce Development

• Workers' Compensation					
To provide funding for 18 workers' compensation specialist and support positions. These positions are necessary because of a 9% caseload increase for benefit review conferences over the last three years.					
337.03 Workers' Compensation	\$767,800	\$0	\$0	\$767,800	18
Sub-total	\$767,800	\$0	\$0	\$767,800	18
• Second Injury Fund					
To provide funding for the Second Injury Fund in order to pay benefits to workers who have received injuries totaling in excess of 100% permanent disability to the body as a whole, as required by law. This additional funding is necessary because of a 12% increase in the number of cases opened in the current year and projected cases in the next year.					
337.08 Second Injury Fund	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0

**Resources and Regulation
Improvements for Fiscal Year 2004-2005**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Boiler and Elevator					
To provide funding for software upgrades to the boiler and elevator inspection system. This will result in more accurate record keeping, data entry, and fraud detection.					
337.05 Boilers and Elevators	\$0	\$0	\$225,700	\$225,700	0
Sub-total	\$0	\$0	\$225,700	\$225,700	0
Total Labor and Workforce Development	\$2,767,800	\$0	\$225,700	\$2,993,500	18
Total Resources and Regulation	\$24,323,700	\$177,500	\$2,155,100	\$26,656,300	63

Tennessee Arts Commission

The Tennessee Arts Commission promotes interest and participation in the performing, visual, and literary arts by providing financial support to artists, arts organizations, and arts supporters. This financial support includes:

- Supporting not-for-profit organizations and events through various grant programs
- Matching private contributions with federal funds to provide technical assistance and other services.

The commission increases public awareness of arts opportunities by producing newsletters and special publications. It also provides program and operational support to the Tennessee State Museum.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.25 Tennessee Arts Commission					
Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	783,100	881,500	881,500	0	881,500
Operational	4,508,200	3,779,700	3,778,900	0	3,778,900
Total	\$5,291,300	\$4,661,200	\$4,660,400	\$0	\$4,660,400
State	4,573,900	4,014,800	4,014,000	0	4,014,000
Federal	717,400	631,500	631,500	0	631,500
Other	0	14,900	14,900	0	14,900

Tennessee State Museum

The Tennessee State Museum collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of Tennessee. The museum's primary duties include:

- Conserving, storing, and securing the museum's collections
- Sponsoring national and regional exhibits of significance
- Providing technical assistance in conserving and restoring artifacts for the development of new museums
- Providing Tennessee citizens with educational programs and services
- Maintaining administrative oversight of the National Civil Rights Museum

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.27 Tennessee State Museum					
Full-Time	35	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	33	33	0	33
Payroll	1,435,600	1,470,900	1,470,900	0	1,470,900
Operational	1,048,000	947,500	945,000	84,000	1,029,000
Total	\$2,483,600	\$2,418,400	\$2,415,900	\$84,000	\$2,499,900
State	2,471,800	2,368,400	2,365,900	84,000	2,449,900
Federal	0	0	0	0	0
Other	11,800	50,000	50,000	0	50,000

Department of Environment and Conservation

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee's air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee's natural and cultural resources; and providing a variety of quality recreational experiences. The department operates under the following three bureaus:

- Administration
- Tennessee State Parks and Conservation Services
- Environment.

Administration

Administration provides overall policy management and support services, including policy, fiscal services, human resources, information systems, internal audit, legal services, marketing development, and public information to all areas of the department.

Administration publishes the *Tennessee Conservationist* magazine to educate the public about the preservation, protection, and wise use of the state's natural and cultural resources.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.01 Administrative Services					
Full-Time	190	199	199	0	199
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	190	199	199	0	199
Payroll	8,007,300	10,233,000	10,233,000	0	10,233,000
Operational	4,544,400	1,896,000	1,867,900	0	1,867,900
Total	\$12,551,700	\$12,129,000	\$12,100,900	\$0	\$12,100,900
State	5,414,400	5,144,500	4,859,900	0	4,859,900
Federal	3,285,000	2,076,500	2,076,500	0	2,076,500
Other	3,852,300	4,908,000	5,164,500	0	5,164,500

Tennessee State Parks and Conservation Services

Conservation Services works to identify and preserve significant historical sites, as well as Tennessee's rich diversity of natural resources.

Recreation Educational Services facilitates the development of local parks and recreation activities by providing technical, financial, and planning resources.

Administrative assistance to the Tennessee Historical Commission is also provided through the bureau of Tennessee State Parks and Conservation Services.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.03 Recreation Educational Services					
Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	464,000	590,800	612,500	0	612,500
Operational	637,400	4,375,600	4,333,900	0	4,333,900
Total	\$1,101,400	\$4,966,400	\$4,946,400	\$0	\$4,946,400
State	544,900	602,000	507,000	0	507,000
Federal	527,900	4,304,400	4,417,400	0	4,417,400
Other	28,600	60,000	22,000	0	22,000
327.04 Historical Commission					
Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	595,700	679,300	679,300	0	679,300
Operational	1,170,900	1,315,100	1,313,600	40,000	1,353,600
Total	\$1,766,600	\$1,994,400	\$1,992,900	\$40,000	\$2,032,900
State	1,223,000	1,364,300	1,362,800	40,000	1,402,800
Federal	500,300	625,100	625,100	0	625,100
Other	43,300	5,000	5,000	0	5,000
327.06 Land and Water Conservation Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,300	750,000	750,000	0	750,000
Total	\$10,300	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	10,300	750,000	750,000	0	750,000
Other	0	0	0	0	0
327.18 Maintenance of Historic Sites					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	381,000	313,000	185,000	0	185,000
Total	\$381,000	\$313,000	\$185,000	\$0	\$185,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
State	200,000	185,000	185,000	0	185,000
Federal	0	0	0	0	0
Other	181,000	128,000	0	0	0

The Natural Heritage division identifies and protects the state's natural areas to promote the conservation of rare or endangered species of plants and animals.

327.14 Natural Heritage

Full-Time	14	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	15	14	14	0	14
Payroll	597,500	611,900	641,000	0	641,000
Operational	400,200	450,100	411,100	0	411,100
Total	\$997,700	\$1,062,000	\$1,052,100	\$0	\$1,052,100
State	720,100	678,200	668,300	0	668,300
Federal	177,100	261,300	261,300	0	261,300
Other	100,500	122,500	122,500	0	122,500

Tennessee State Parks preserve unique examples of natural, cultural and scenic areas and provide a variety of quality outdoor experiences for Tennessee's citizens and visitors.

327.12 Tennessee State Parks

Full-Time	988	975	943	0	943
Part-Time	182	181	176	0	176
Seasonal	580	577	514	0	514
Total	1,750	1,733	1,633	0	1,633
Payroll	32,137,600	36,432,600	35,390,900	0	35,390,900
Operational	22,488,600	27,760,200	25,393,400	0	25,393,400
Total	\$54,626,200	\$64,192,800	\$60,784,300	\$0	\$60,784,300
State	25,827,700	30,682,200	28,967,000	0	28,967,000
Federal	30,700	0	0	0	0
Other	28,767,800	33,510,600	31,817,300	0	31,817,300

327.15 Tennessee State Parks Maintenance

Full-Time	31	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	29	29	0	29
Payroll	1,241,100	1,358,600	1,386,300	0	1,386,300
Operational	3,801,000	4,064,800	3,533,500	0	3,533,500
Total	\$5,042,100	\$5,423,400	\$4,919,800	\$0	\$4,919,800
State	3,616,400	3,073,800	3,070,200	0	3,070,200
Federal	0	1,315,000	1,315,000	0	1,315,000
Other	1,425,700	1,034,600	534,600	0	534,600

The Elk River Resource Management division was established to administer programs of the former Tennessee Elk River Development Agency. These include the completion of Tennessee Valley Authority contractual obligations and agreements, disposition of real property, and distribution of funds to ten counties in the Elk River watershed.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.17 Elk River Resource Management					
Full-Time	5	5	5	0	5
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	185,900	198,200	198,200	0	198,200
Operational	252,800	913,600	913,000	0	913,000
Total	\$438,700	\$1,111,800	\$1,111,200	\$0	\$1,111,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	438,700	1,111,800	1,111,200	0	1,111,200

The Local Parks Acquisition Fund and the State Lands Acquisition Fund are used to purchase land for parks, natural areas, and state forests, and are used for trail development and other eligible projects. The State Lands Compensation Fund are used to reimburse local governments for lost property taxes resulting from the purchase of land by the state, rendering the land tax exempt.

327.19 Local Parks Acquisition Fund

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	931,500	765,600	0	2,187,500	2,187,500
Total	\$931,500	\$765,600	\$0	\$2,187,500	\$2,187,500
State	759,600	765,600	0	2,187,500	2,187,500
Federal	0	0	0	0	0
Other	171,900	0	0	0	0

327.20 State Lands Acquisition Fund

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,144,400	656,300	0	1,875,000	1,875,000
Total	\$1,144,400	\$656,300	\$0	\$1,875,000	\$1,875,000
State	420,000	656,300	0	1,875,000	1,875,000
Federal	644,400	0	0	0	0
Other	80,000	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.22 State Lands Compensation Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	39,000	40,000	40,000	0	40,000
Total	\$39,000	\$40,000	\$40,000	\$0	\$40,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	39,000	40,000	40,000	0	40,000

Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations. Environment Administration provides coordination of environmental activities in state policy development and technical assistance as well as management and support services for eight environmental assistance centers.

327.30 Environment Administration

Full-Time	78	77	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	78	77	77	0	77
Payroll	3,140,900	3,278,400	3,278,400	0	3,278,400
Operational	990,600	1,325,900	1,030,300	0	1,030,300
Total	\$4,131,500	\$4,604,300	\$4,308,700	\$0	\$4,308,700
State	1,602,700	1,360,500	1,069,300	0	1,069,300
Federal	0	21,100	21,100	0	21,100
Other	2,528,800	3,222,700	3,218,300	0	3,218,300

Archaeology and Geology programs identify and preserve significant prehistoric and historic sites.

327.08 Archaeology

Full-Time	12	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	6	6	6	0	6
Total	18	15	15	0	15
Payroll	557,800	529,900	529,900	0	529,900
Operational	109,100	258,600	249,500	0	249,500
Total	\$666,900	\$788,500	\$779,400	\$0	\$779,400
State	546,100	620,900	611,800	0	611,800
Federal	0	0	0	0	0
Other	120,800	167,600	167,600	0	167,600

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.11 Geology					
Full-Time	23	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	20	20	0	20
Payroll	1,038,200	955,700	981,300	0	981,300
Operational	350,800	388,600	336,800	0	336,800
Total	\$1,389,000	\$1,344,300	\$1,318,100	\$0	\$1,318,100
State	1,285,900	1,188,700	1,162,500	0	1,162,500
Federal	19,300	81,100	81,100	0	81,100
Other	83,800	74,500	74,500	0	74,500

The Used Oil Collection Program promotes education and public awareness and provides financial assistance for used oil disposal.

327.23 Used Oil Collection Program

Full-Time	3	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	4	4	0	4
Payroll	120,100	206,900	206,900	0	206,900
Operational	227,700	1,299,400	1,299,400	0	1,299,400
Total	\$347,800	\$1,506,300	\$1,506,300	\$0	\$1,506,300
State	273,800	1,272,300	1,272,300	0	1,272,300
Federal	0	0	0	0	0
Other	74,000	234,000	234,000	0	234,000

The West Tennessee River Basin Authority preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins through environmentally sensitive stream maintenance and appropriate conservation practices in upland settings.

327.26 West Tennessee River Basin Authority

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	623,100	670,100	670,100	0	670,100
Operational	330,000	331,700	329,000	0	329,000
Total	\$953,100	\$1,001,800	\$999,100	\$0	\$999,100
State	612,200	709,400	707,300	0	707,300
Federal	0	0	0	0	0
Other	340,900	292,400	291,800	0	291,800

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.24 West Tennessee River Basin Authority Maintenance					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	77,100	575,000	500,000	0	500,000
Total	\$77,100	\$575,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	77,100	75,000	0	0	0

The Tennessee Dry Cleaners Environmental Response Fund is used to:

- Reimburse dry cleaner owners or operators, property owners, and impacted third parties for the investigation and remediation of sites contaminated by dry cleaning solvents
- Provide oversight of use and disposal of dry cleaning solvents used in dry cleaning operations.

327.28 Tennessee Dry Cleaners Environmental Response Fund

Full-Time	7	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	5	5	0	5
Payroll	308,000	389,000	389,000	0	389,000
Operational	1,783,800	2,057,700	2,056,200	0	2,056,200
Total	\$2,091,800	\$2,446,700	\$2,445,200	\$0	\$2,445,200
State	1,974,600	2,446,700	2,445,200	0	2,445,200
Federal	23,700	0	0	0	0
Other	93,500	0	0	0	0

Air Pollution Control ensures compliance with applicable state and federal air standards. The Small Business Clean Air Assistance program assists small businesses in voluntarily complying with air pollution regulations.

327.31 Air Pollution Control

Full-Time	140	145	144	21	165
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	152	157	156	21	177
Payroll	6,554,800	7,635,600	7,640,900	958,700	8,599,600
Operational	2,597,300	2,943,700	2,805,500	405,000	3,210,500
Total	\$9,152,100	\$10,579,300	\$10,446,400	\$1,363,700	\$11,810,100
State	1,191,500	1,132,900	1,073,000	0	1,073,000
Federal	1,212,000	1,523,800	1,523,800	0	1,523,800
Other	6,748,600	7,922,600	7,849,600	1,363,700	9,213,300

Radiological Health regulates the possession, use, transportation, and disposition of radiation-producing machines and radioactive materials.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.32 Radiological Health					
Full-Time	69	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	69	67	67	0	67
Payroll	2,821,000	3,375,500	3,375,500	0	3,375,500
Operational	1,207,200	1,553,300	1,545,900	0	1,545,900
Total	\$4,028,200	\$4,928,800	\$4,921,400	\$0	\$4,921,400
State	0	373,000	372,300	0	372,300
Federal	119,000	72,900	72,900	0	72,900
Other	3,909,200	4,482,900	4,476,200	0	4,476,200

Community Assistance provides environmental multi-media, financial, and technical assistance, which promote pollution prevention, re-use, and recycling. This division is also charged with the oversight of the following programs:

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Pollution Prevention
- Lead Hazard Awareness
- Wastewater Treatment Operators Certification Program.

327.33 Community Assistance

Full-Time	52	51	50	0	50
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	56	55	54	0	54
Payroll	2,254,700	2,782,900	2,743,100	0	2,743,100
Operational	29,764,500	49,202,900	49,187,600	0	49,187,600
Total	\$32,019,200	\$51,985,800	\$51,930,700	\$0	\$51,930,700
State	7,329,900	6,272,900	6,217,800	0	6,217,800
Federal	23,502,900	44,958,000	44,958,000	0	44,958,000
Other	1,186,400	754,900	754,900	0	754,900

Water Pollution Control protects water quality by abating existing pollution, reclaiming polluted waters, and working to prevent future pollution.

327.34 Water Pollution Control

Full-Time	157	174	174	0	174
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	165	182	182	0	182

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	7,741,600	8,991,600	9,110,800	0	9,110,800
Operational	4,554,000	5,843,700	5,622,500	0	5,622,500
Total	\$12,295,600	\$14,835,300	\$14,733,300	\$0	\$14,733,300
State	5,233,200	4,781,900	4,733,900	0	4,733,900
Federal	2,074,800	3,391,400	3,391,400	0	3,391,400
Other	4,987,600	6,662,000	6,608,000	0	6,608,000

Solid Waste Management assists in the identification, prevention, and correction of solid and hazardous waste problems by enforcement of the Solid Waste Disposal Act and the Hazardous Waste Management Act.

327.35 Solid Waste Management

Full-Time	141	141	141	2	143
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	149	149	149	2	151
Payroll	6,780,000	7,663,500	7,769,800	84,200	7,854,000
Operational	2,031,000	2,043,400	1,876,400	14,700	1,891,100
Total	\$8,811,000	\$9,706,900	\$9,646,200	\$98,900	\$9,745,100
State	2,172,500	1,642,400	1,594,700	0	1,594,700
Federal	1,879,300	2,765,800	2,765,800	98,900	2,864,700
Other	4,759,200	5,298,700	5,285,700	0	5,285,700

Department of Energy (DOE) Oversight ensures the environmental impacts associated with past and present activities of the DOE Oak Ridge Reservation are investigated and appropriately cleaned up.

327.36 DOE Oversight

Full-Time	53	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	53	0	53
Payroll	2,169,000	2,869,700	2,869,700	0	2,869,700
Operational	881,400	3,227,500	3,221,300	0	3,221,300
Total	\$3,050,400	\$6,097,200	\$6,091,000	\$0	\$6,091,000
State	0	0	0	0	0
Federal	2,992,900	6,097,200	6,091,000	0	6,091,000
Other	57,500	0	0	0	0

The Abandoned Lands program provides for the reclamation of coal mining sites for which bonds have been forfeited. In addition, the program inventories and reclaims land abandoned by phosphate, clay, dirt, sand, and gravel operations.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.37 Abandoned Lands					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	17,400	500,000	500,000	0	500,000
Total	\$17,400	\$500,000	\$500,000	\$0	\$500,000
State	3,800	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	13,600	0	0	0	0

The Hazardous Waste Remedial Action Fund supports activities for the identification, investigation, and remediation of inactive hazardous substance sites.

327.38 Hazardous Waste Remedial Action Fund

Full-Time	62	65	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	65	65	0	65
Payroll	2,810,300	3,452,200	3,452,200	0	3,452,200
Operational	5,015,500	7,571,200	7,552,100	0	7,552,100
Total	\$7,825,800	\$11,023,400	\$11,004,300	\$0	\$11,004,300
State	1,065,800	1,013,600	1,000,000	0	1,000,000
Federal	989,500	2,061,100	2,059,900	0	2,059,900
Other	5,770,500	7,948,700	7,944,400	0	7,944,400

Water Supply ensures compliance with state and federal public drinking water supply standards.

327.39 Water Supply

Full-Time	79	80	80	2	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	80	80	2	82
Payroll	3,628,100	3,952,000	4,114,800	73,300	4,188,100
Operational	1,766,500	2,042,100	1,854,600	5,300	1,859,900
Total	\$5,394,600	\$5,994,100	\$5,969,400	\$78,600	\$6,048,000
State	914,700	740,300	723,500	0	723,500
Federal	2,957,000	2,427,100	2,427,100	78,600	2,505,700
Other	1,522,900	2,826,700	2,818,800	0	2,818,800

Groundwater Protection protects, preserves, and improves the quality of Tennessee's groundwater by assuring the proper disposal of domestic wastewaters.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.40 Groundwater Protection					
Full-Time	153	149	149	0	149
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	153	149	149	0	149
Payroll	7,017,300	7,679,800	7,679,800	0	7,679,800
Operational	1,960,300	1,967,700	1,937,500	0	1,937,500
Total	\$8,977,600	\$9,647,500	\$9,617,300	\$0	\$9,617,300
State	4,064,800	3,319,200	3,302,100	0	3,302,100
Federal	0	0	0	0	0
Other	4,912,800	6,328,300	6,315,200	0	6,315,200

The Underground Storage Tank program regulates the installation, inspection, and possible leakage of underground storage tanks. In addition, the program issues certificates, collects fees, and reimburses allowable environmental investigation costs to eligible underground storage tank owners and operators.

327.41 Underground Storage Tanks

Full-Time	84	84	84	0	84
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	92	92	92	0	92
Payroll	3,400,900	3,928,100	4,013,000	0	4,013,000
Operational	17,872,200	19,480,900	19,387,200	10,000,000	29,387,200
Total	\$21,273,100	\$23,409,000	\$23,400,200	\$10,000,000	\$33,400,200
State	19,498,200	21,160,700	21,151,900	10,000,000	31,151,900
Federal	1,332,900	2,248,300	2,248,300	0	2,248,300
Other	442,000	0	0	0	0

The Solid Waste Assistance Fund assists in the implementation of the Solid Waste Management Act of 1991, to help plan for future waste disposal needs. The division provides financial assistance and special statewide services to local governments to ensure their compliance with the law.

327.42 Solid Waste Assistance Fund

Full-Time	21	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	20	20	0	20
Payroll	724,700	987,200	987,200	0	987,200
Operational	7,811,700	8,244,400	8,243,300	0	8,243,300
Total	\$8,536,400	\$9,231,600	\$9,230,500	\$0	\$9,230,500
State	8,279,900	9,231,600	9,230,500	0	9,230,500
Federal	0	0	0	0	0
Other	256,500	0	0	0	0

The Environmental Protection Fund's purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
327.43 Environmental Protection Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	29,922,900	37,145,600	37,337,500	1,363,700	38,701,200
Total	\$29,922,900	\$37,145,600	\$37,337,500	\$1,363,700	\$38,701,200
State	29,738,200	37,145,600	37,337,500	1,363,700	38,701,200
Federal	0	0	0	0	0
Other	184,700	0	0	0	0
327.00 Department Total					
Full-Time	2,404	2,407	2,373	25	2,398
Part-Time	223	222	217	0	217
Seasonal	587	584	521	0	521
Total	3,214	3,213	3,111	25	3,136
Payroll	94,919,600	109,452,500	108,953,600	1,116,200	110,069,800
Operational	145,072,500	191,303,600	185,614,000	15,891,200	201,505,200
Total	\$239,992,100	\$300,756,100	\$294,567,600	\$17,007,400	\$311,575,000
State	124,513,900	138,564,500	134,625,800	15,466,200	150,092,000
Federal	42,279,000	74,980,100	75,085,700	177,500	75,263,200
Other	73,199,200	87,211,500	84,856,100	1,363,700	86,219,800

Tennessee Wildlife Resources Agency

The Tennessee Wildlife Resources Agency (TWRA) is charged with preserving and managing all species of wildlife in Tennessee. This agency is also responsible for administering hunting and boating safety laws and enforcing state litter control laws.

The agency is governed by the Tennessee Wildlife Resources Commission. The commission establishes the agency's objectives; promulgates rules, regulations and proclamations; approves the agency's budget; and hires the agency's Executive Director. The TWRA generates revenue from a variety of sources including:

- Hunting and fishing licenses and permits
- Boat registration fees
- Excise taxes on arms, ammunition, bows and arrows, and fishing equipment
- Fines for violations of wildlife, hunting, and boating regulations.

Program responsibilities are divided between the central office and regional offices. Administrative and support services are provided by the central office and include:

- Coordinating the agency's comprehensive planning system
- Coordinating the Geographic Information System
- Administering federal aid programs
- Publishing *Tennessee Wildlife* magazine, hunting and fishing guides, and news releases
- Coordinating hunting and boating education programs
- Administering license sales and boat registration
- Conducting wildlife and fisheries research and coordinating wildlife, fisheries, non-game and endangered species management
- Coordinating law enforcement activities and training
- Coordinating equipment crews and engineering activities, building and maintaining boat access areas and levees, and building forestry logging roads on agency property
- Investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include:

- Law enforcement
- Non-game and endangered species management
- Information and news releases
- Sponsoring hunting and boating safety workshops and classes
- Providing technical assistance to farm pond and small lake owners
- Developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries
- Wildlife and fish data collection.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
328.01 Wildlife Resources Agency					
Full-Time	598	600	600	0	600
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	616	618	618	0	618

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	26,991,300	28,634,900	27,927,000	771,100	28,698,100
Operational	17,831,200	30,470,300	17,375,900	0	17,375,900
Total	\$44,822,500	\$59,105,200	\$45,302,900	\$771,100	\$46,074,000
State	22,275,600	30,519,600	30,518,500	771,100	31,289,600
Federal	12,490,500	17,410,000	11,495,500	0	11,495,500
Other	10,056,400	11,175,600	3,288,900	0	3,288,900

328.02 Boating Safety

Full-Time	27	30	30	0	30
Part-Time	63	63	63	0	63
Seasonal	0	0	0	0	0
Total	90	93	93	0	93
Payroll	3,144,900	3,870,300	3,444,200	105,200	3,549,400
Operational	5,037,300	6,014,700	4,047,400	0	4,047,400
Total	\$8,182,200	\$9,885,000	\$7,491,600	\$105,200	\$7,596,800
State	5,321,900	5,397,000	4,713,300	105,200	4,818,500
Federal	2,441,300	4,005,900	2,640,200	0	2,640,200
Other	419,000	482,100	138,100	0	138,100

328.03 Wetlands Acquisition Fund

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,714,400	7,629,200	0	3,747,500	3,747,500
Total	\$10,714,400	\$7,629,200	\$0	\$3,747,500	\$3,747,500
State	6,463,700	1,170,900	0	3,747,500	3,747,500
Federal	3,250,000	1,225,400	0	0	0
Other	1,000,700	5,232,900	0	0	0

328.04 Wetlands Compensation Fund

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	219,600	251,000	0	315,000	315,000
Total	\$219,600	\$251,000	\$0	\$315,000	\$315,000
State	218,500	251,000	0	315,000	315,000
Federal	0	0	0	0	0
Other	1,100	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
328.00 Department Total					
Full-Time	625	630	630	0	630
Part-Time	81	81	81	0	81
Seasonal	0	0	0	0	0
Total	706	711	711	0	711
Payroll	30,136,200	32,505,200	31,371,200	876,300	32,247,500
Operational	33,802,500	44,365,200	21,423,300	4,062,500	25,485,800
Total	\$63,938,700	\$76,870,400	\$52,794,500	\$4,938,800	\$57,733,300
State	34,279,700	37,338,500	35,231,800	4,938,800	40,170,600
Federal	18,181,800	22,641,300	14,135,700	0	14,135,700
Other	11,477,200	16,890,600	3,427,000	0	3,427,000

Department of Commerce and Insurance

The Department of Commerce and Insurance serves as a regulatory agency in state government through four functional areas: administration, consumer protection, 911 wireless communications, and fire prevention.

Administration

The Administration Division includes the office of the commissioner, fiscal services, management information services, personnel, legal services, and audit consulting and oversight.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
335.01 Administration					
Full-Time	73	68	68	1	69
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	68	68	1	69
Payroll	3,066,400	3,472,800	3,472,800	70,000	3,542,800
Operational	1,095,300	738,400	735,300	5,700	741,000
Total	\$4,161,700	\$4,211,200	\$4,208,100	\$75,700	\$4,283,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,161,700	4,211,200	4,208,100	75,700	4,283,800

Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services provided include:

- Regulating insurance companies and agents and approving individual and group self-insurance proposals
- Protecting Tennessee's investors by maintaining the integrity of the securities market
- Enforcing the Tennessee Consumer Protection Act, promoting fair consumer practices and consumer education, and regulating health clubs
- Granting payments to consumers who are awarded judgments against real estate and auctioneer licensees.

335.02 Insurance

Full-Time	143	128	128	0	128
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	144	129	129	0	129
Payroll	5,272,200	6,530,300	6,585,800	0	6,585,800
Operational	3,061,300	3,395,800	3,366,200	12,200	3,378,400
Total	\$8,333,500	\$9,926,100	\$9,952,000	\$12,200	\$9,964,200
State	0	3,446,600	2,908,500	0	2,908,500
Federal	0	0	0	0	0
Other	8,333,500	6,479,500	7,043,500	12,200	7,055,700

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
335.05 Securities					
Full-Time	22	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	23	23	0	23
Payroll	883,300	1,045,800	1,063,700	0	1,063,700
Operational	419,100	578,500	591,500	2,000	593,500
Total	\$1,302,400	\$1,624,300	\$1,655,200	\$2,000	\$1,657,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,302,400	1,624,300	1,655,200	2,000	1,657,200
335.06 Consumer Affairs					
Full-Time	11	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	10	10	0	10
Payroll	465,700	469,500	469,500	0	469,500
Operational	211,000	279,600	279,400	0	279,400
Total	\$676,700	\$749,100	\$748,900	\$0	\$748,900
State	674,500	727,900	727,700	0	727,700
Federal	0	0	0	0	0
Other	2,200	21,200	21,200	0	21,200
335.15 Real Estate Education and Recovery Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	54,400	279,700	279,700	0	279,700
Total	\$54,400	\$279,700	\$279,700	\$0	\$279,700
State	0	279,700	279,700	0	279,700
Federal	0	0	0	0	0
Other	54,400	0	0	0	0
335.16 Auctioneer Education and Recovery Fund					
Full-Time	1	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	1	1	0	1
Payroll	35,800	37,700	37,700	0	37,700
Operational	34,900	38,700	38,600	0	38,600
Total	\$70,700	\$76,400	\$76,300	\$0	\$76,300
State	66,200	76,400	76,300	0	76,300
Federal	0	0	0	0	0
Other	4,500	0	0	0	0

The TennCare Oversight Division has the authority to promulgate new or additional rules and regulations and to perform the oversight, examination, and compliance monitoring functions regarding managed care organizations which provide TennCare services.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
335.04 TennCare Oversight					
Full-Time	22	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	21	21	0	21
Payroll	1,102,400	1,614,100	1,614,100	0	1,614,100
Operational	736,400	1,088,300	1,087,700	3,700	1,091,400
Total	\$1,838,800	\$2,702,400	\$2,701,800	\$3,700	\$2,705,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,838,800	2,702,400	2,701,800	3,700	2,705,500

The Division of Regulatory Boards provides licensing and regulation of professions and businesses in addition to administering disciplinary action. The following professions and businesses are overseen by the Division of Regulatory Boards:

- Cosmetologists
- Funeral directors and embalmers
- Land surveyors
- Engineers
- Boxing and auto racing
- Polygraph examiners
- Real estate agents and brokers
- Accountants
- Alarm contractors
- Interior designers
- Pharmacists and pharmacies
- Barbers
- Contractors
- Collection services
- Private investigators
- Burial services
- Home improvement
- Real estate appraisers
- Private protective services
- Automotive manufacturers, dealers, and salesmen
- Geologists
- Auctioneers
- Architects and landscape architects
- Employee leasing.

335.10 Regulatory Boards

Full-Time	187	191	191	5	196
Part-Time	122	122	122	0	122
Seasonal	0	0	0	0	0
Total	309	313	313	5	318
Payroll	6,987,500	7,918,100	7,918,100	183,800	8,101,900
Operational	5,607,300	6,975,000	6,939,300	116,700	7,056,000
Total	\$12,594,800	\$14,893,100	\$14,857,400	\$300,500	\$15,157,900
State	12,453,800	14,429,400	14,394,100	300,500	14,694,600
Federal	0	0	0	0	0
Other	141,000	463,700	463,300	0	463,300

911 Wireless Communications

The 911 Emergency Communications Fund promotes statewide wireless enhanced 911 service through the activities of the Emergency Communications Board. The board is empowered to:

- Provide advisory technical assistance to emergency communications districts
- Establish technical operating standards for emergency communications districts
- Review and revise wireless-enhanced 911 standards
- Review and approve reimbursements for expenditures related to implementation, operations, maintenance, or improvements to statewide wireless-enhanced 911 service.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
335.08 911 Emergency Communications Fund					
Full-Time	6	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	9	9	0	9
Payroll	289,500	497,700	497,700	0	497,700
Operational	16,113,500	25,874,200	25,873,700	3,500	25,877,200
Total	\$16,403,000	\$26,371,900	\$26,371,400	\$3,500	\$26,374,900
State	15,716,500	26,371,900	26,371,400	3,500	26,374,900
Federal	0	0	0	0	0
Other	686,500	0	0	0	0

Fire Prevention

The Division of Fire Prevention provides services to promote fire safety education and fire prevention. These efforts include:

- Inspecting institutional facilities and electrical installations
- Investigating Arson
- Reviewing construction plans
- Maintaining the Tennessee Fire Incident Reporting System
- Registering electricians
- Administering fireworks and explosive user permits
- Licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers
- Regulating the mobile home industry.

335.03 Fire Prevention

Full-Time	133	143	143	3	146
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	133	143	143	3	146
Payroll	5,056,900	5,669,000	5,785,400	137,300	5,922,700
Operational	6,869,900	7,881,800	7,462,500	68,300	7,530,800
Total	\$11,926,800	\$13,550,800	\$13,247,900	\$205,600	\$13,453,500

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
State	0	76,100	76,100	0	76,100
Federal	141,400	210,000	210,000	0	210,000
Other	11,785,400	13,264,700	12,961,800	205,600	13,167,400

The Fire Service and Codes Enforcement Academy's objective is to provide effective training to all volunteer and career fire fighters, fire and building code enforcement personnel, and other related service professionals in the state of Tennessee. The Academy develops and teaches current methods and practices in fire fighting, fire and building code enforcement, fire prevention, public safety, fire investigation, and related subjects.

335.07 Fire and Codes Enforcement Academy

Full-Time	47	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	47	36	36	0	36
Payroll	1,299,000	1,700,100	1,700,100	0	1,700,100
Operational	1,326,700	3,815,900	2,942,000	0	2,942,000
Total	\$2,625,700	\$5,516,000	\$4,642,100	\$0	\$4,642,100
State	1,930,200	4,073,300	3,702,600	0	3,702,600
Federal	49,600	435,900	25,000	0	25,000
Other	645,900	1,006,800	914,500	0	914,500

The Commission on Fire Fighting Personnel Standards and Education administers the salary supplement to eligible firefighters, sets criteria for performance standards, and trains firefighters.

335.28 Fire Fighting Personnel Standards and Education

Full-Time	3	3	3	0	3
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	118,200	128,100	128,100	0	128,100
Operational	2,359,300	2,187,400	2,082,300	0	2,082,300
Total	\$2,477,500	\$2,315,500	\$2,210,400	\$0	\$2,210,400
State	2,477,500	2,315,500	2,210,400	0	2,210,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
335.00 Department Total					
Full-Time	648	633	633	9	642
Part-Time	131	131	131	0	131
Seasonal	1	1	1	0	1
Total	780	765	765	9	774
Payroll	24,576,900	29,083,200	29,273,000	391,100	29,664,100
Operational	37,889,100	53,133,300	51,678,200	212,100	51,890,300
Total	\$62,466,000	\$82,216,500	\$80,951,200	\$603,200	\$81,554,400
State	33,318,700	51,796,800	50,746,800	304,000	51,050,800
Federal	191,000	645,900	235,000	0	235,000
Other	28,956,300	29,773,800	29,969,400	299,200	30,268,600

Department of Financial Institutions

The Department of Financial Institutions provides the citizens of Tennessee a sound system of state-chartered and licensed financial institutions. These include:

- Commercial banks
- Trust companies
- Savings institutions
- Credit unions
- Industrial loan and thrift companies
- Business and industrial development corporations
- Deferred presentment and check cashing companies
- Mortgage lenders, brokers and servicers
- Insurance premium finance companies
- Money transmitters.

The mission of the Department of Financial Institutions is to provide for and encourage the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interests of depositors. In addition, the department seeks to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations. None of the department's operating expenditures are funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
336.00 Financial Institutions					
Full-Time	112	117	117	11	128
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	112	117	117	11	128
Payroll	6,313,900	7,520,400	7,590,100	438,700	8,028,800
Operational	2,315,500	1,944,100	1,970,400	590,700	2,561,100
Total	\$8,629,400	\$9,464,500	\$9,560,500	\$1,029,400	\$10,589,900
State	4,185,000	5,764,800	5,859,200	762,900	6,622,100
Federal	0	0	0	0	0
Other	4,444,400	3,699,700	3,701,300	266,500	3,967,800

Department of Labor and Workforce Development

The Department of Labor and Workforce Development's vision includes protecting the rights of workers and assisting employers in maintaining those rights throughout Tennessee. The Department of Labor and Workforce Development has six functional areas:

- Administration
- Safety and Health
- Workers' Compensation
- Labor Standards
- Employment and Workforce Development
- Employment Security.

Administration

These services include the overall administration of the department and its programs. Included in this area is the office of the commissioner, which is responsible for formulating policies, procedures, and long-range plans to carry out the mission of the department.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
337.01 Administration					
Full-Time	117	110	110	0	110
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	122	115	115	0	115
Payroll	4,974,300	6,080,700	6,080,700	0	6,080,700
Operational	2,450,500	2,508,900	2,185,300	0	2,185,300
Total	\$7,424,800	\$8,589,600	\$8,266,000	\$0	\$8,266,000
State	2,123,100	2,759,700	2,545,600	0	2,545,600
Federal	5,034,000	5,633,100	5,689,600	0	5,689,600
Other	267,700	196,800	30,800	0	30,800

Safety and Health

This functional area administers and enforces safety and health programs in Tennessee workplaces. The divisions provide training and technical assistance to employers and employees by conducting compliance inspections and by providing consulting services to employers. Some responsibilities include:

- Ensuring the safety and health of Tennessee workers, administering training programs, and providing consultant services to employers
- Promoting effective safety and health management through the Voluntary Protection Program
- Promoting the safety and welfare of miners through training and licensing of mine operators
- Employing mine rescue workers
- Performing safety inspections of boilers and elevators across the state.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
337.02 Tennessee Occupational Safety and Health Administration (TOSHA)					
Full-Time	105	105	102	0	102
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	108	108	105	0	105
Payroll	4,762,500	5,782,400	5,627,300	0	5,627,300
Operational	1,800,500	2,013,500	1,715,300	0	1,715,300
Total	\$6,563,000	\$7,795,900	\$7,342,600	\$0	\$7,342,600
State	3,098,700	4,158,200	3,764,600	0	3,764,600
Federal	3,448,200	3,605,700	3,546,000	0	3,546,000
Other	16,100	32,000	32,000	0	32,000

337.04 Mines

Full-Time	7	7	7	0	7
Part-Time	24	24	18	0	18
Seasonal	0	0	0	0	0
Total	31	31	25	0	25
Payroll	234,700	385,900	377,200	0	377,200
Operational	267,400	255,400	211,500	0	211,500
Total	\$502,100	\$641,300	\$588,700	\$0	\$588,700
State	275,600	391,000	338,400	0	338,400
Federal	156,900	108,500	138,500	0	138,500
Other	69,600	141,800	111,800	0	111,800

337.05 Boilers and Elevators

Full-Time	54	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	53	53	0	53
Payroll	1,800,800	2,248,000	2,244,200	0	2,244,200
Operational	556,600	616,200	618,600	225,700	844,300
Total	\$2,357,400	\$2,864,200	\$2,862,800	\$225,700	\$3,088,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,357,400	2,864,200	2,862,800	225,700	3,088,500

Workers' Compensation

The division of Workers' Compensation administers the workers' compensation program in Tennessee, promotes the benefits and responsibilities of the Workers' Compensation Act, and makes available the services provided in the Act. To achieve these objectives the division:

- Administers the Benefit Review Program which determines compensation eligibility and provides mediation services in disputed claims
- Administers the Drug Free Workplace Program which discourages drug use and abuse in the workplace

- Approves proposed settlements in disputed claims when the parties have reached agreement on all disputed issues
- Administers programs for medical case management and utilization review of claims which require medical services
- Administers the Tennessee Second Injury Fund
- Administers safety programs, including the Occupational Safety and Health Grant program, established by the workers' compensation law
- Maintains the official record for workers' compensation coverage and claims
- Informs workers of their rights under the law and ensures benefits paid to injured employees are within statutory requirements
- Maintains a statistical and historical data base for the workers' compensation program
- Provides administrative support for the Advisory Council on Workers' Compensation
- Provides assistance to the Tennessee Bureau of Investigation in the investigation of workers' compensation fraud and conducts public awareness programs on issues of fraud
- Collects and analyzes relevant statistical data and other information necessary to evaluate the workers' compensation system and to assess the impact of the reform acts of 1992 and 1996 on the system.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
337.03 Workers' Compensation					
Full-Time	112	110	107	18	125
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	113	111	108	18	126
Payroll	4,128,300	4,784,600	4,702,100	624,800	5,326,900
Operational	2,427,900	1,655,200	1,468,600	143,000	1,611,600
Total	\$6,556,200	\$6,439,800	\$6,170,700	\$767,800	\$6,938,500
State	6,001,400	6,407,800	6,138,700	767,800	6,906,500
Federal	0	0	0	0	0
Other	554,800	32,000	32,000	0	32,000

The Second Injury Fund provides funding for judgments against the State of Tennessee and for legal costs awarded by the state. The Second Injury Fund encourages employers to hire workers with prior injuries or disabilities.

337.08 Second Injury Fund

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	7,005,400	5,370,900	5,370,900	2,000,000	7,370,900
Total	\$7,005,400	\$5,370,900	\$5,370,900	\$2,000,000	\$7,370,900
State	6,800,400	5,195,900	5,195,900	2,000,000	7,195,900
Federal	0	0	0	0	0
Other	205,000	175,000	175,000	0	175,000

The Uninsured Employers Fund was established to help protect workers from employers who fail to comply with the coverage requirements of the state's workers' compensation insurance laws. This division has the authority to assess civil penalties to employers and provide injunctive relief to affected employees.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
337.14 Uninsured Employers Fund					
Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	167,300	248,300	248,300	0	248,300
Operational	12,100	17,400	16,900	0	16,900
Total	\$179,400	\$265,700	\$265,200	\$0	\$265,200
State	176,200	265,700	265,200	0	265,200
Federal	0	0	0	0	0
Other	3,200	0	0	0	0

Labor Standards

This division is responsible for the enforcement of several labor laws throughout the state. Included in the jurisdiction of the division are:

- The Wage Regulation Act which protects wage earners from unfair practices
- The Child Labor Act which regulates the number of hours a school-aged child can work
- The Prevailing Wage Act which protects workers regarding pay on construction projects involving state funds
- Administration of statistical research programs regarding work-related injuries, illnesses, and fatalities
- Administration of the Employee Assistance Professional Program
- Labor standards customer service.

337.06 Labor Standards

Full-Time	23	23	23	0	23
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	28	28	28	0	28
Payroll	757,800	908,200	908,200	0	908,200
Operational	260,800	298,400	266,400	0	266,400
Total	\$1,018,600	\$1,206,600	\$1,174,600	\$0	\$1,174,600
State	841,800	1,029,100	997,100	0	997,100
Federal	176,000	166,500	166,500	0	166,500
Other	800	11,000	11,000	0	11,000

Employment and Workforce Development

The Employment and Training Division administers the Workforce Investment Act, Tennessee Career Centers, Families First services, veterans services, and the Job Service programs. The Workforce Investment Act attempts to return many of the responsibilities formerly held by the federal government for workforce development to state and local authorities. The Tennessee Career Centers, in the process of being implemented across the state, can be used by employers seeking workers and anyone seeking job training, job placement, Families First services, unemployment insurance, and any other activity related to employment and training needs. The primary goal of this program is to be more responsive to the needs of geographical areas, labor markets, and individual industries. The Employment and Training Division is a key partner in working with other state agencies such as Economic and Community Development, Education, Human Services, and the Board of Regents, to implement the workforce development system in the state. The Adult Basic Education Division administers funds to assist the adult population in obtaining GED diplomas and education necessary to return to the workforce.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
337.07 Employment and Training					
Full-Time	36	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	36	36	0	36
Payroll	1,887,200	2,056,600	2,041,000	0	2,041,000
Operational	73,984,900	80,248,500	66,475,900	0	66,475,900
Total	\$75,872,100	\$82,305,100	\$68,516,900	\$0	\$68,516,900
State	0	0	0	0	0
Federal	62,084,000	62,227,100	68,438,900	0	68,438,900
Other	13,788,100	20,078,000	78,000	0	78,000
337.09 Adult Basic Education					
Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	564,900	729,400	726,400	0	726,400
Operational	17,905,000	18,621,000	18,623,500	0	18,623,500
Total	\$18,469,900	\$19,350,400	\$19,349,900	\$0	\$19,349,900
State	3,109,800	3,274,900	3,274,800	0	3,274,800
Federal	11,545,500	12,070,600	12,070,300	0	12,070,300
Other	3,814,600	4,004,900	4,004,800	0	4,004,800

Employment Security

The Employment Security division administers the unemployment insurance program and provides job availability data to the general public. The division's primary programs are Unemployment Insurance, Job Service, and labor market information.

The Unemployment Insurance Program is administered in accordance with the provisions of the Tennessee Employment Security Act. This program determines eligibility and pays

unemployment insurance benefits to workers who are unemployed, through no fault of their own, and collects appropriate premiums from liable employers.

The Job Service Program has administrative responsibility for providing a basic labor exchange system, job placement, and development services to special applicant groups such as:

- Veterans
- Families First recipients
- Job Training Partnership Act applicants
- Senior citizens
- Food stamp recipients
- Temporary Assistance for Needy Families recipients.

The Employment Security division collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee. This labor market information assists in promoting better decisions by federal, state, and local government policy makers, employers, and individual citizens.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
337.10 Employment Security					
Full-Time	1,051	1,073	1,073	0	1,073
Part-Time	430	430	430	0	430
Seasonal	0	0	0	0	0
Total	1,481	1,503	1,503	0	1,503
Payroll	42,309,800	54,171,900	52,904,000	0	52,904,000
Operational	19,461,400	17,681,000	18,915,300	0	18,915,300
Total	\$61,771,200	\$71,852,900	\$71,819,300	\$0	\$71,819,300
State	0	0	0	0	0
Federal	56,564,000	63,730,900	69,214,700	0	69,214,700
Other	5,207,200	8,122,000	2,604,600	0	2,604,600
337.00 Department Total					
Full-Time	1,522	1,534	1,528	18	1,546
Part-Time	468	468	462	0	462
Seasonal	0	0	0	0	0
Total	1,990	2,002	1,990	18	2,008
Payroll	61,587,600	77,396,000	75,859,400	624,800	76,484,200
Operational	126,132,500	129,286,400	115,868,200	2,368,700	118,236,900
Total	\$187,720,100	\$206,682,400	\$191,727,600	\$2,993,500	\$194,721,100
State	22,427,000	23,482,300	22,520,300	2,767,800	25,288,100
Federal	139,008,600	147,542,400	159,264,500	0	159,264,500
Other	26,284,500	35,657,700	9,942,800	225,700	10,168,500

Resources and Regulation

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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316.25 Arts Commission

316.25 Arts Commission

Program Information

Objective: Improve cultural life of Tennesseans by providing funding and technical assistance. The goal is to promote cultural tourism, pursue economic development opportunities and enhance the quality of life for all citizens.

Quantity or Quality: Number of grants.

700	725	750
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316.27 State Museum

316.27 State Museum

Performance Information

Standard: Obtain artifacts through purchase and donation.

Measure: Actual number of artifacts received.

1,225	1,100	1,100
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Standard: Make presentations and tours to school groups at the museum and the Capitol.

Measure: Number of students in school groups.

44,397	45,000	45,000
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327.00 Environment and Conservation

Performance Information

Standard: See preceding Performance Budget Tab, the last tab in the A-numbered pages.

Measure: See preceding Performance Budget Tab.

327.06 Land and Water Conservation Fund

Program Information

Objective: Assure all contracts have been initiated within the required 180-day project start date.

Quantity or Quality: Percentage of contracts meeting the required 180-day project start date.

60%	80%	100%
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327.08 Archaeology

Program Information

Objective: Protect and/or preserve archaeological sites on state owned lands.

Quantity or Quality: Number of sites protected or preserved.

30	30	30
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Objective: Enter/record archaeological sites in archives.

Quantity or Quality: Number of sites entered/recorded in archives.

400	500	500
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327.14 Natural Heritage

Program Information

Objective: Annually register ginseng dealers to purchase, sale and/or export wild or cultivated ginseng.

Quantity or Quality: Number of ginseng dealers annually registered to purchase, sale and/or export wild or cultivated ginseng.

32	40	40
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Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
327.31 Air Pollution Control			
Program Information			
Objective: Issue Certificates of Exemptions based on investigation by the division and approval by the Air Pollution Control Board.			
Quantity or Quality: Percent of approved Certificates of Exemptions in effect that have been investigated by the division and approved by the Air Pollution Control Board.	100%	100%	100%
Objective: Issue Notices of Violation (NOV) that will be addressed (Order issued, No Further Action letter sent, or NOV retracted) within 180 days.			
Quantity or Quality: Percent of Notices of Violations that have been addressed within an average of 180 days from the date of the NOV, excluding unique legal or regulatory requirements.	90%	90%	90%
327.33 Community Assistance			
Program Information			
Objective: Review and submit water and wastewater cases to the Water and Wastewater Financing Board and the Utility Management Review Board to ensure the financial integrity and viability of public water and wastewater systems.			
Quantity or Quality: Number of water and wastewater cases presented to the Water and Wastewater Financing Board and the Utility Management Review Board.	11	11	10
Objective: Provide technical assistance to the operators of public water and wastewater systems to ensure proper operation and maintenance.			
Quantity or Quality: Number of hours of technical assistance provided to water and wastewater systems.	363	375	400
327.34 Water Pollution Control			
Program Information			
Objective: Conduct investigations following receipt of complaint reports concerning perceived violations of water quality conditions.			
Quantity or Quality: Number of complaints investigated.	1,300	1,300	1,300
Objective: Issue General Permits within 15 days of a complete Notice of Intent.			
Quantity or Quality: Number of General Permits issued.	1,648	1,781	1,640
Objective: Issue Notices of Violation (NOV) to responsible parties having been identified as causing a condition of pollution and/or violating rules of the department.			
Quantity or Quality: Number of Notices of Violations issued.	1,000	1,100	1,150
327.35 Solid Waste Management			
Program Information			
Objective: Verify waste contaminated sites that have been cleaned up to environmentally acceptable standards in order to assure closure.			
Quantity or Quality: Number of sites closed by the State Remediation Program.	33	50	50

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Verify whether or not the primary residence is the source of lead poisoning for lead poisoned children referrals.			
Quantity or Quality: Percent of investigations of primary residence of lead poisoned children referrals.	100%	100%	100%

327.39 Water Supply

Program Information

Objective: Conduct well inspection program to assure that wells comply with state requirements.			
Quantity or Quality: Number of wells inspected.	1,200	1,200	1,200

327.40 Groundwater Protection

Program Information

Objective: Properly collect water samples at the request of property owners served by a private water source and explain results to applicant after laboratory analysis completed.			
Quantity or Quality: Number of water samples collected at the request of property owners served by a private water source.	1,598	1,600	1,600
Objective: Conduct a thorough inspection of the existing subsurface sewage disposal system and convey meaningful information pertaining to the system's functionality.			
Quantity or Quality: Number of premises evaluated in sewer surveys to assess functionality of existing subsurface sewage disposal systems.	836	900	900
Objective: Following construction of a subsurface sewage disposal system, conduct a thorough inspection of the system construction to ensure compliance with all applicable Groundwater Protection regulations.			
Quantity or Quality: Number of subsurface sewage disposal systems inspected upon initial construction.	17,370	18,000	18,000

327.41 Underground Storage Tanks

Program Information

Objective: For the short term, maximize the benefit from each reimbursement dollar spent, and control the rate of reimbursement. For the long term, have revenues in excess of claims received.			
Quantity or Quality: Fund reimbursement claims received in excess of the revenue received.	\$11,031,321	\$7,000,000	\$5,000,000

328.00 Tennessee Wildlife Resource Agency

328.01 Wildlife Resources Agency

Performance Information

Standard: Stabilize or increase populations of terrestrial wildlife.			
Measure: Number of licensed hunters.	725,110	720,000	730,000
Standard: Stabilize or increase populations of fish.			
Measure: Number of licensed anglers.	1,001,038	1,000,000	1,050,000

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Program Information			
Objective: Increase reservoir fishing participation.			
Quantity or Quality: Number of reservoir anglers.	497,318	498,000	433,000
Objective: Stabilize the deer population.			
Quantity or Quality: Number of deer harvested.	150,000	150,000	150,000
Objective: Increase stream and river fishing participation.			
Quantity or Quality: Number of stream and river fishing trips.	2,951,964	2,900,000	2,500,000
Objective: Increase the waterfowl population.			
Quantity or Quality: Mid-winter waterfowl count.	415,421	450,000	628,092
Objective: Increase rough fish harvest.			
Quantity or Quality: Number of pounds harvested.	4,796,870	4,800,000	5,000,000
Objective: Increase the wild turkey population.			
Quantity or Quality: Number of turkey harvested.	32,227	33,000	22,000
Objective: Increase pond and small lake fishing participation.			
Quantity or Quality: Number of pond and small lake fishing trips.	5,400,000	5,400,000	5,000,000
Objective: Increase the quail population.			
Quantity or Quality: Number of quail harvest per trip.	2.53	2.50	2.00
Objective: Increase the number of harvestable mussels.			
Quantity or Quality: Percentage of mussels that are above the minimum legal size.	25%	25%	15%
Objective: Increase dove hunting opportunity.			
Quantity or Quality: Number of dove hunting trips.	609,000	600,000	600,000
Objective: Manage aquatic non-game and wildlife diversity programs.			
Quantity or Quality: Number of species managed.	751	751	751
Objective: Manage non-game and wildlife diversity programs.			
Quantity or Quality: Number of species managed.	396	396	396

328.02 Boating Safety

Performance Information

Standard: Register boating recreational users.			
Measure: Number of registered boats.	259,235	260,000	275,000

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Program Information			
Objective: Reduce boating fatalities.			
Quantity or Quality: Number of fatalities per 100,000 boats.	8.18	8.00	5.00
Objective: Reduce boating accidents.			
Quantity or Quality: Number of accidents per 100,000 boats.	70.9	65.0	50.0
Objective: Construct and improve boat access facilities.			
Quantity or Quality: Number of boat access sites constructed or renovated.	7	8	8

328.03 Wetlands Acquisition Fund

Performance Information

Standard: Management of wetlands.			
Measure: Cumulative acres managed.	189,968	197,025	197,025
Standard: Acquisition of wetlands.			
Measure: Annual acres acquired.	74,972	6,671	To be determined

Program Information

Objective: Survey, post and fence boundaries; plant, mow, burn, spray for vegetation control; build & maintain levees; install water control structures; pump water.			
Quantity or Quality: Number of wetland areas maintained.	65	65	65

328.04 Wetlands Compensation Fund

Program Information

Objective: Counties paid in-lieu-of-tax payments for state-owned wetlands.			
Quantity or Quality: Number of counties paid.	38	38	38

335.00 Commerce and Insurance

335.01 Administration

Performance Information

Standard: Respond to and complete information systems desktop help calls within five days of receipt.			
Measure: The percentage of completed responses in five days.	Not Available	97%	100%

335.02 Insurance

Performance Information

Standard: Complete financial analysis of financial statement of domestic companies within 90 days of receipt.			
Measure: Financial statement analysis completed within 90 days of receipt.	85%	100%	100%

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Complete financial examination of domestic companies, on a five-year basis, within 12 months of commencement.			
Measure: Financial examination of domestic companies completed within 12 months of start date.	85%	90%	100%
Standard: Conclude insurance company licensing application review within 60 days of receipt of a complete application.			
Measure: Complete insurance licensing application review within 60 days of receipt.	75%	80%	90%
Standard: Approve or deny commercial and personal line rate filings within 30 days of receipt of a completed filing.			
Measure: Rate filings review completed in 30 days.	70%	80%	90%

Program Information

Objective: Administer and enforce insurance statutes.			
Quantity or Quality: Number of financial statements analyzed.	440	550	500
Objective: Collect taxes and fees.			
Quantity or Quality: Number of process returns and audits.	39,360	40,300	39,360
Objective: Provide services to the public.			
Quantity or Quality: Number of consumer investigations.	769	1,000	1,150
Objective: Provide services to the public.			
Quantity or Quality: Number of consumer complaints processed.	4,078	7,000	8,050

335.03 Fire Prevention

Performance Information

Standard: Reduce the number of incidents involving a fire-related death in Tennessee.			
Measure: The number of incidents that involve a fire death in Tennessee.	105	110	105

Program Information

Objective: Combat arson and misuse of explosives.			
Quantity or Quality: Annual change in dollar loss per scene examined.	\$91,369	\$100,000	\$100,000
Objective: Enhance inter-agency sharing of intelligence by assigning a special agent to a federal task force.			
Quantity or Quality: Number of investigations opened as part of federal task force.	13	15	15
Objective: Enforce codes.			
Quantity or Quality: Number of building plans reviewed.	2,974	3,083	3,450

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Improve our ability to communicate with Tennessee law enforcement, fire services and emergency services.			
Quantity or Quality: Number of law enforcement vehicles equipped with 800 MHz radio equipment.	13	15	25
Objective: Inspect manufactured homes.			
Quantity or Quality: Number of units inspected.	16,884	17,349	17,889

335.04 TennCare Oversight

Performance Information

Standard: Approve or disapprove of material modification filings, certificate of authority applications and third party administrator license applications within 30 days of receipt of complete submission.			
Measure: Percentage of material modification filings, certificate of authority applications and third party administrator license applications approved or disapproved within 30 days of receipt of complete submission.	Not Available	95%	95%
Standard: Process TennCare provider requests for independent review of partially or totally denied claims within 20 days of receipt.			
Measure: Percentage of independent review requests processed within 20 days of receipt.	Not Available	90%	90%
Standard: Conduct examinations of the HMOs and PLHSOs participating in the TennCare Program each year.			
Measure: Conduct examinations of 25% of the HMOs and PLHSOs participating in the TennCare Program each year.	18%	25%	25%
Standard: Perform quarterly tests of compliance with the statutory claims processing timeliness standards for all TennCare HMOs and PLSHOs and for TennCare TPAs as required by the interagency agreement with the TennCare Bureau.			
Measure: Perform quarterly tests of compliance with the statutory claims processing timeliness standards for 100% of the TennCare HMOs and PLSHOs and for TennCare TPAs as required by the interagency agreement with the TennCare Bureau.	100%	100%	100%

Program Information

Objective: Perform financial and market-conduct examinations.			
Quantity or Quality: Number of exams completed.	4	3	4
Objective: Review complaints.			
Quantity or Quality: Number of provider complaints processed.	147	160	160
Objective: Review National Association of Insurance Commissioners (NAIC) quarterly and annual financial statements.			
Quantity or Quality: Number of NAIC statements reviewed.	44	48	48
Objective: Review quarterly and annual premium tax returns.			
Quantity or Quality: Number of premium tax returns reviewed.	44	48	48

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Review disputed claims independently.			
Quantity or Quality: Number of disputed claims submitted for review.	132	150	150

335.05 Securities

Performance Information

Standard: Examine applications for broker-dealer, agent, and investment securities registrations within 30 days of receipt.			
Measure: Percent of applications examined within 30 days pursuant to Tennessee Securities Act.	99%	99%	100%
Standard: Collect financial reports required to be filed by broker-dealers and investment advisors within 90 days of fiscal year end.			
Measure: Percent of broker-dealer and investment adviser financial statements received within 90 days of fiscal year end.	82%	82%	85%
Standard: Examine securities registration applications, notice filings and exemptions within 20 days of receipt.			
Measure: Percent of registrations examined within 20 days.	95%	95%	100%
Standard: Prepare and issue a preliminary report recommending action within 30 days of receipt of each investor complaint.			
Measure: Percent of complaint preliminary reports written within 30 days.	53%	60%	65%

Program Information

Objective: Review and process securities industry registrations and notice filings.			
Quantity or Quality: Number of securities industry registrations and notice filings.	70,864	72,500	73,500
Objective: Review and process securities registrations and notice filings.			
Quantity or Quality: Number of securities registrations, exemptions and notice filings.	17,109	17,300	17,500

335.06 Consumer Affairs

Performance Information

Standard: Provide an initial response to consumer complaints within 15 days of receipt.			
Measure: Percentage of consumer complaints in which a response was given within 15 days of receipt.	95%	100%	100%

Program Information

Objective: Education of consumer protection.			
Quantity or Quality: Number of telephone inquiries.	70,000	75,000	75,000
Objective: Protection of the consumer.			
Quantity or Quality: Number of consumer refunds.	\$6,849,023	\$7,000,000	\$7,000,000

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: Protection of the consumer.			
Quantity or Quality: Number of formal actions.	8	25	25
Objective: Protection of the consumer.			
Quantity or Quality: Number of written complaints.	5,554	6,000	6,000
Objective: Registration of health clubs.			
Quantity or Quality: Number of registrations.	250	250	250
335.07 Fire and Codes Enforcement Academy			
Performance Information			
Standard: Provide student contact hours to fire service and other emergency first responders.			
Measure: The number of student contact hours delivered in the Fire Service Program over twelve months.	105,200	115,500	127,000
Standard: Provide student contact hours to code officials and other construction industry professionals.			
Measure: The number of student contact hours delivered in the Codes Enforcement Program over twelve months.	6,195	6,850	7,550
Program Information			
Objective: Deliver 10,000 student contact hours in terrorism response training to fire service and other emergency first responders.			
Quantity or Quality: Number of student contact hours delivered for terrorism response training over twelve months.	7,035	7,500	10,000
335.08 911 Emergency Communications Fund			
Performance Information			
Standard: Establish wireless E-911 Phase I service (getting the call-back number) in all Tennessee counties.			
Measure: The number of counties with E-911 Phase I service.	83	87	95
Standard: Establish wireless E-911 service Phase II service (getting the geographical location of the caller) in all Tennessee counties.			
Measure: The number of counties with E-911 Phase II service.	0	82	95
335.10 Regulatory Boards			
Performance Information			
Standard: Issue licenses within 60 days of receipt of a completed/approved application.			
Measure: The percentage of licenses issued within 60 days.	Not Available	75%	100%
Standard: Resolve complaints within 180 days.			
Measure: The percentage of complaints resolved within 180 days.	Not Available	73%	85%

Resources and Regulation

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: The ratio of the number of complaints against licensees to the number of licensees.			
Measure: The complaint to license ratio.	Not Available	1 to 75	1 to 100
335.15 Real Estate Education and Recovery Fund			
Performance Information			
Standard: Annually conduct a minimum of 15 educational seminars for licensees.			
Measure: Number of seminars conducted.	0	8	15
335.16 Auctioneer Education and Recovery Fund			
Performance Information			
Standard: Annually conduct one educational seminar for licensees in each grand division of the state.			
Measure: Number of seminars conducted.	3	3	3
335.28 Fire Fighting Personnel Standards and Education			
Performance Information			
Standard: Increase the number of written certification examinations administered to Tennessee firefighters by 20% each year.			
Measure: Number of certification examinations administered.	1,728	1,990	2,388
Program Information			
Objective: Certify fire fighters.			
Quantity or Quality: Number of certification examinations administered (written and performance).	2,669	3,000	3,200
Objective: Administer fire fighter salary supplement.			
Quantity or Quality: Number of supplements issued.	5,329	5,595	5,875
336.00 Financial Institutions			
336.00 Financial Institutions			
Performance Information			
Standard: Pursuant to statute, regulate and examine Tennessee state-chartered banks.			
Measure: TDFI examinations and joint TDFI / FDIC examinations of state-chartered banks completed.	73	74	70
Standard: Pursuant to statute, regulate and examine Tennessee state-chartered credit unions.			
Measure: TDFI examinations and joint TDFI / NCUA examinations of state-chartered credit unions completed.	120	125	123
Standard: Regulate institutions licensed or registered for compliance with governing acts.			
Measure: Number of licensed entities examined / regulated by the Compliance Division.	2,006/3,857 (52%)	2,006/4,057 (49%)	2,129/4,257(50%)

Resources and Regulation

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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337.00 Labor and Workforce Development

337.01 Administration

Performance Information

Standard: Process invoices/travel claims, payroll/insurance transactions and Trade Act Adjustments/Trade Readjustment Allowance claims in an accurate and timely manner.			
Measure: Invoices/travel claims processed within 10 working days.	90%	92%	93%
Standard: Process invoices/travel claims, payroll/insurance transactions and Trade Act Adjustments/Trade Readjustment Allowance claims in an accurate and timely manner.			
Measure: Trade Act Adjustments/Trade Readjustment Allowance claims are processed within 10 working days.	85%	86%	87%
Standard: Maintain or improve IT help-desk approval rating from callers seeking assistance.			
Measure: Help-desk approval rating.	96.0%	96.5%	97.0%
Standard: Maintain eCMATs availability to users.			
Measure: Percentage of uptime for eCMATs.	98.3%	98.5%	99.0%
Standard: Conduct complete internal audits to monitor the performance of the Department of Labor and Workforce Development.			
Measure: Number of internal audits conducted.	2	2	2

337.02 Tenn. Occupational Safety & Health Administration

Performance Information

Standard: Eliminate serious hazards in workplaces where interventions take place.			
Measure: Number of serious hazards identified in workplaces during TOSHA interventions.	6,128	6,000	6,000
Standard: Reduce the number of fatalities due to falls.			
Measure: Percent reduction of fatalities from falls in 1999.	9%	18%	28%
Standard: Provide training in occupational safety and health training classes.			
Measure: Number of people trained in occupational safety and health training classes.	7,527	7,500	7,500
Standard: Implement improvements in employer occupational safety and health programs in workplaces where TOSHA Compliance has had an intervention.			
Measure: Number of workplaces where improvements in employer occupational safety and health program were made where TOSHA Compliance has had an intervention.	826	800	800

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Program Information			
Objective: To enforce the statutory provisions ensuring the safety and health of Tennessee workers in both the public and private sectors and to administer training programs developed pursuant to the provisions of state and federal laws.			
Quantity or Quality: Number of serious hazards eliminated.	3,704	4,500	6,000
Objective: To ensure that every employer furnish a place of employment free of recognized hazards and provide a safe and healthful workplace for its employees.			
Quantity or Quality: Number of compliance inspections.	1,888	2,250	3,000
337.03 Workers' Compensation			
Performance Information			
Standard: Decrease annually the time taken to resolve workers' compensation temporary issues from receipt to resolution.			
Measure: Average number of days to resolve a Benefit Review Conferences resolution.	120	114	108
Standard: Increase annually the number of cases reviewed and resolved by the medical director and the Medical Cost Containment Committee.			
Measure: The number of cases reviewed and resolved by medical director and Medical Cost Containment Committee.	150	158	165
Standard: Decrease annually the time taken to resolve workers' compensation temporary issues from receipt to resolution.			
Measure: Average number of days to resolve a Request for Assistance resolution.	92	92	87
Standard: Increase annually the number of case managers registered annually.			
Measure: The number of case managers registered annually.	150	158	165
Standard: Increase annually the number of private sector employers participating in the Drug Free Workplace Program.			
Measure: The number of private sector employers participating in the Drug Free Workplace Program.	3,079	3,227	3,388
Program Information			
Objective: To defend the Second Injury Fund against an increasing number of claims.			
Quantity or Quality: Cases opened.	674	740	760
Objective: To defend the Second Injury Fund against an increasing number of claims.			
Quantity or Quality: Cases closed.	609	576	625
Objective: To maintain an accurate, historical record of workers' compensation insurance or self-insured coverage on all employers subject to the law.			
Quantity or Quality: Coverage received.	227,160	238,518	250,443

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: To insure that benefits paid to injured employees are within statutory requirements and to maintain accurate records of workers' compensation claims subject to the reporting requirements of the law.			
Quantity or Quality: Claims reviewed.	40,592	42,621	44,752

337.04 Mines

Performance Information

Standard: Increase number of persons trained in mine safety each year.			
Measure: Number of persons trained.	1,983	2,210	2,265
Standard: Teach mine safety classes upon request by industry.			
Measure: Number of mine safety classes taught.	218	229	230
Standard: Provide mine foreman exams quarterly.			
Measure: Number of persons taking Tennessee mine foreman exam.	28	33	30

Program Information

Objective: To license all active mines in the state.			
Quantity or Quality: Number of Tennessee mining licenses issued.	37	35	35
Objective: To have readily available trained rescue teams in the event of an emergency.			
Quantity or Quality: Number of rescue team members.	16	18	18

337.05 Boilers and Elevators

Performance Information

Standard: Have no more than 30 days between the dates the boiler inspection is performed, the report is processed, and the date the invoice of certificate/inspection is printed.			
Measure: The average percentage of boiler inspection reports that were processed within the required 30-day allotted timeframe.	93%	94%	95%
Standard: Continue to have an annual decline in the number of boilers and pressure vessels that are classified as being in delinquent inspection status (more than 90 days overdue for inspection).			
Measure: Annual number of boiler and pressure vessels that are in delinquent status.	5,532	4,500	3,000
Standard: Have no more than 30 days between the dates the elevator inspection is performed, the report is processed, and the date the invoice of certificate/inspection is printed.			
Measure: The average percentage of elevator inspection reports processed within the 30-day allotted timeframe.	99%	99%	100%

Program Information

Objective: To safeguard the general public by inspecting elevators, trams, escalators, dumbwaiters, and wheelchair lifts.			
Quantity or Quality: Number of elevators inspected.	18,225	19,468	20,710

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Objective: To safeguard the general public by performing inspections.			
Quantity or Quality: Number of inspections by boiler section of the department.	31,144	32,783	34,422

337.06 Labor Standards

Performance Information

Standard: Collect penalties assessed for violation of the laws.			
Measure: The percentage of Child Labor and Wage Regulation assessed penalties collected.	95%	97%	100%
Standard: Improve response rate of Prevailing Wage Survey by 10%.			
Measure: Response rate for Prevailing Wage Survey.	15%	20%	40%
Standard: Increase the number of on-site routine prevailing wage inspections by 50%.			
Measure: Percentage of routine prevailing wage inspections.	50%	60%	75%
Standard: Perform child labor inspections in every county in the state twice per year.			
Measure: Percentage of counties visited twice per year.	64%	75%	100%
Standard: The Occupational Injuries and Illnesses (OSH) Survey rate will meet the Bureau of Labor Statistics' requirement of an 85% response rate.			
Measure: OSH Survey response rate.	95%	99%	100%
Standard: OSHA Log Data Collection Survey rate will meet OSHA's requirement of an 85% response rate.			
Measure: Log Data response rate.	95%	99%	100%

Program Information

Objective: To serve all employees/employers of the State of Tennessee through knowledgeable staff cross trained on all laws enforced by the division.			
Quantity or Quality: Number of phone calls received and handled.	83,650	100,000	116,000
Objective: To enforce the Child Labor Act and protect all minors in the workplace.			
Quantity or Quality: Number of child labor investigations.	1,049	1,260	1,474
Objective: To enforce the Wage Regulation Act that requires payment of wages as agreed upon for all hours worked.			
Quantity or Quality: Number of wage complaint investigations.	1,115	1,500	1,890
Objective: To enforce the Prevailing Wage Act by requiring employees to be paid the correct rate as required on all state funded construction projects.			
Quantity or Quality: Number of prevailing wage investigations.	66	296	527
Objective: To educate interested parties in the Child Labor Law through lectures outlining the responsibilities of the employer.			
Quantity or Quality: Number of lectures conducted.	44	60	76

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
337.07 Employment and Training			
Performance Information			
Standard: Increase the Adult Credential and Employment Rate.			
Measure: Adult Credential and Employment Rate.	58%	59%	60%
Standard: Increase the Dislocated Worker Credential and Employment Rate.			
Measure: Dislocated Worker Credential and Employment Rate.	58%	59%	60%
Standard: Increase the Older Youth Credential and Employment Rate.			
Measure: Older Youth Credential and Employment Rate.	48.5%	49.5%	50.5%
Standard: Improve the Younger Youth Diploma/Equivalent Rate.			
Measure: Younger Youth Diploma/Equivalent Rate.	63%	63%	64%
Standard: Increase the Employer Satisfaction Rate.			
Measure: Employer Satisfaction Rate.	76%	77%	78%
Program Information			
Objective: To meet the readjustment and retraining needs of workers who have lost their jobs through no fault of their own.			
Quantity or Quality: Prepare dislocated workers for reemployment - number dislocated workers served.	10,237	10,339	10,443
Objective: To prepare adults facing serious barriers to employment for participation in the labor force by providing job training and other services that will result in increased employment and earnings.			
Quantity or Quality: Job placement - number of adults placed.	3,122	3,169	3,216
Objective: To prepare youth facing serious barriers to employment for participation in the labor force by providing job training and other services that will result in increased employment and earnings.			
Quantity or Quality: Job placement - number of youth placed.	291	295	300
337.08 Second Injury Fund			
Performance Information			
Standard: Keep awards paid from Second Injury Fund at or below the level funded in the budget.			
Measure: Second Injury Fund awards.	\$5,379,790	\$5,379,790	\$6,895,900
Program Information			
Objective: To provide funding for judgements against the State of Tennessee Second Injury Fund as awarded by the courts of Tennessee to employees injured on the job.			
Quantity or Quality: Number of cases for which payments are made.	360	400	450

Resources and Regulation

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
337.09 Adult Basic Education			
Performance Information			
Standard: Percentage of enrollees who complete an Adult Basic Education Program.			
Measure: Percentage of enrollees who complete Adult Basic Education program.	32.75%	34.75%	36.75%
Standard: Percentage of enrollees who complete an English as a Second Language Program.			
Measure: Percentage of enrollees who complete English as a Second Language Program.	28.4%	30.4%	32.4%
Standard: Percentage of enrollees who complete and receive their GED.			
Measure: Percentage of enrollees who complete and receive their GED.	42%	44%	46%
Program Information			
Objective: Placement in, retention in, or completion of postsecondary education, training, unsubsidized employment or career advancement.			
Quantity or Quality: Percentage entered employment.	31%	33%	35%
Objective: Receipt of a secondary school diploma or its recognized equivalent.			
Quantity or Quality: Percentage of high school completion.	42%	44%	46%
337.10 Employment Security			
Performance Information			
Standard: Increase by 5% the employment response rate for the state and sub state areas, while maintaining the unit response rate and the quality of the responses.			
Measure: Employment response rate.	73.7%	65.0%	70.0%
Standard: Increase the number of clients in Food Stamp Employment and Training program who become employed.			
Measure: Food Stamp Employment and Training number of clients employed.	1,520	1,572	1,623
Standard: New accounts are set-up within 90 days of becoming liable.			
Measure: New accounts set up within 90 days or less.	85.1%	85.5%	85.5%
Standard: Fully trained interviewers average between 18 and 20 claims or 75 inquiry calls per day.			
Measure: Interviewers average claims or inquiry calls per day.	18 Claims/75 Calls	16 Claims/60 Calls	18 Claims/75 Calls
Standard: Decrease backlog in Alien Labor Certification.			
Measure: Alien Labor Certification backlog cases.	1,212	1,000	800
Standard: For the Appeals Tribunal, the promptness standards provide that a minimum of 60% of all appeals to the Appeals Tribunal be heard and determined within 30 days from the date the appeal is filed.			
Measure: The percentage of appeals heard and determined within 30 days.	21%	60%	70%

Resources and Regulation

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: For the Appeals Tribunal, the promptness standards provide that a minimum of 80% must be determined within 45 days.			
Measure: The percentage of appeals heard and determined within 45 days.	49%	80%	85%
Standard: For the Appeals Tribunal, the promptness standards provide that a minimum of 95% must be determined within 75 days.			
Measure: The percentage of appeals heard and determined within 75 days.	82%	95%	97%

Program Information

Objective: Claims filed initially for unemployment benefits.			
Quantity or Quality: Number of claims filed.	543,815	486,492	486,492
Objective: Job placement services.			
Quantity or Quality: Number of persons who entered employment.	142,076	135,000	130,000

337.14 Uninsured Employers Fund

Performance Information

Standard: Increase the level of employer compliance with the Workers' Compensation Act coverage requirements above the 50% level among referred employers.			
Measure: Level of employer compliance with the coverage requirement of the Workers' Compensation Act.	48%	50%	52%

Program Information

Objective: To monitor and enforce compliance with insurance coverage requirements of the Tennessee Workers' Compensation Law.			
Quantity or Quality: Number of investigations closed.	200	240	244

Transportation, Business, and Economic Development

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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2004 – 2005

The Transportation, Business, and Economic Development functional group is a diverse collection of agencies responsible for the development of economic activity in Tennessee. This group consists of the following agencies and departments:

- Tennessee Housing Development Agency
- Department of Agriculture
- Department of Tourist Development
- Department of Economic and Community Development
- Department of Transportation.

The common goal among these agencies is the development and promotion of economic activity and improvement of the livelihood of all Tennesseans. This is accomplished through various programs and activities, including creating an environment conducive to the operation of business and industry and the construction and maintenance of sound public infrastructure.

In addition to the above general activities, this functional group also concentrates on promotion of job growth through development of industrial infrastructure and job training investments; regulation and maintenance of the state agricultural and forest industries; and marketing of the state as a vacation destination.

The Housing Development Agency helps low and moderate income Tennesseans in securing affordable housing.

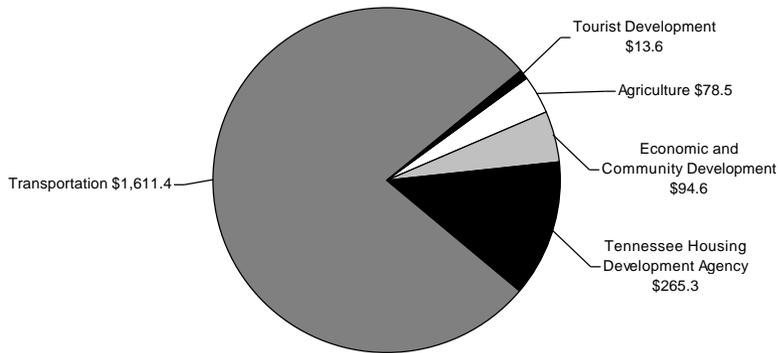
Improvements and Program Statements

Following a table on personnel and funding for all agencies in this functional area of state government are: (1) a statement of recommended improvements for the ensuing fiscal year; (2) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for last year and the amounts budgeted for the current year; and (3) program performance measures and other program information.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

**Transportation, Business and Economic Development
FY 2004 - 2005 Recommended**



In Millions

\$2,063,496,300 Total

Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Recommended 2004-2005</u>
Personnel			
Full Time	6,148	6,107	6,104
Part Time	5	5	5
Seasonal	234	231	227
TOTAL	<u>6,387</u>	<u>6,343</u>	<u>6,336</u>
Expenditures			
Payroll	\$232,127,300	\$255,554,300	\$261,904,300
Operational	1,421,598,000	1,622,123,100	1,801,592,000
TOTAL	<u>\$1,653,725,300</u>	<u>\$1,877,677,400</u>	<u>\$2,063,496,300</u>
Funding			
State	\$871,097,000	\$791,675,000	\$912,195,900
Federal	715,969,000	1,006,785,600	1,072,994,500
Other	66,659,300	79,216,800	78,305,900

Transportation, Business and Economic Development Improvements for Fiscal Year 2004-2005

	State	Federal	Other	Total	Positions
Tennessee Housing Development Agency					
• Section 8 Housing	To provide funding for one contract administrator and three field representatives to manage the additional caseload from the federal Section 8 program, which subsidizes housing for income eligible families.				
316.20 Tennessee Housing Development Agency	\$0	\$192,400	\$0	\$192,400	4
Sub-total	\$0	\$192,400	\$0	\$192,400	4
Total Tennessee Housing Development Agency	\$0	\$192,400	\$0	\$192,400	4

Agriculture

• Agricultural Conservation	To provide funds for the promotion and implementation of agricultural management practices which conserve and protect natural resources associated with agricultural production, including soil, water, air, plants and animals. The highest priority of the fund is to abate and prevent nonpoint source water pollution that may be associated with agricultural production. This non-recurring appropriation is from a \$10 million allocation of the real estate transfer tax. The appropriation is a pro-rata share of the \$10 million derived from the allocation of a pro-rata share of the 8 cents stated in law. The Agricultural Resources Conservation Fund receives a 1.5-cent share of the 8 cents.				
325.08 Agricultural Resources Conservation Fund	\$1,875,000	\$0	\$0	\$1,875,000	0
Sub-total	\$1,875,000	\$0	\$0	\$1,875,000	0
• Forestry Bulldozers	To fund the replacement of 100 old bulldozers and associated trailers. This appropriation provides for debt service on \$20 million in 7-year notes and for operational costs. The modernization of the forest fire protection fleet is necessary to protect the lives and property of the residents of Tennessee, as well as the firefighters who depend on this equipment. This modernization also will improve the dependability and speed of Tennessee's forest fire suppression units.				
325.10 Forestry Operations	\$3,600,000	\$0	\$0	\$3,600,000	0
Sub-total	\$3,600,000	\$0	\$0	\$3,600,000	0
Total Agriculture	\$5,475,000	\$0	\$0	\$5,475,000	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2004-2005

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Economic and Community Development					
• Job Training and Infrastructure					
To provide \$17.1 million for high-quality job expansion. The state will provide \$10.6 million in funding for the training of 400 production workers at the Toyota/Bodine automobile production plant in Jackson and for 800 production workers at the Nissan production plants in Smyrna and Dechard. The state also will provide \$6.5 million in funding for site preparation and infrastructure improvements at the Toyota/Bodine facility and wastewater improvements at the Nissan plant to facilitate plant expansion.					
330.06 FastTrack Infrastructure Development Program	\$6,500,000	\$0	\$0	\$6,500,000	0
330.09 FastTrack Job Training Assistance Program	\$10,600,000	\$0	\$0	\$10,600,000	0
Sub-total	<u>\$17,100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,100,000</u>	<u>0</u>
• Industrial Infrastructure					
To provide funding to assist local communities with economic growth by providing grants for infrastructure improvements and industrial site preparation. This non-recurring improvement maintains the program at the current-year level.					
330.06 FastTrack Infrastructure Development Program	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>0</u>
• Association Dues					
To provide funding for increased membership dues in the Appalachian Regional Commission, the Delta Regional Commission, and the Southern Growth Policy Board. These organizations provide economic development funding and policy research for regional economic challenges.					
330.04 Regional Grants Management	\$196,100	\$0	\$0	\$196,100	0
Sub-total	<u>\$196,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$196,100</u>	<u>0</u>
Total Economic and Community Development	<u>\$18,796,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$18,796,100</u>	<u>0</u>
Total Transportation, Business and Economic Development	<u>\$24,271,100</u>	<u>\$192,400</u>	<u>\$0</u>	<u>\$24,463,500</u>	<u>4</u>

Tennessee Housing Development Agency

The Tennessee Housing Development Agency (THDA) provides opportunities for decent, affordable housing for low and moderate income Tennesseans. THDA was created in response to a need for housing initiatives in rural areas, but it also performs activities in the major urban centers. The agency is authorized to sell tax-exempt revenue notes and bonds to provide funds for making below-market interest rate mortgage loans. Through the U.S. Department of Housing and Urban Development's Section 8 program, THDA provides rental subsidies to assist renters in need and administers project-based contracts. THDA also administers the HOME program, a federally funded grant program that assists local housing providers in implementing affordable housing plans.

Activities of THDA include the rehabilitation and construction of rental and homeowner housing. The Low Income Housing Tax Credit program, administered by THDA, supports acquisition, rehabilitation and new construction of rental units for low income tenants. THDA has a governing board composed of state officials and gubernatorial and legislative appointees that are active and knowledgeable in their respective industries.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
316.20 Tennessee Housing Development Agency					
Full-Time	180	188	188	4	192
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	180	188	188	4	192
Payroll	8,089,700	9,009,500	9,009,500	187,400	9,196,900
Operational	145,526,500	256,068,400	256,060,300	5,000	256,065,300
Total	\$153,616,200	\$265,077,900	\$265,069,800	\$192,400	\$265,262,200
State	0	0	0	0	0
Federal	146,662,900	250,182,700	250,634,400	192,400	250,826,800
Other	6,953,300	14,895,200	14,435,400	0	14,435,400

Department of Agriculture

The Tennessee Department of Agriculture (TDA) was the very first state agency, established in 1854, to promote agriculture through fairs and livestock expositions. This tradition continues today as the department helps expand markets for farm and forest products through promotions and industry development activities. TDA provides an array of valuable consumer services from food safety and product quality assurance to pesticide regulation and environmental monitoring. Forestry services include landowner assistance, wildfire suppression, and state forest management. Water quality programs encourage and promote wise stewardship of our natural resources. The department's mission is performed within the following four major areas:

- Administration and Grants
- Market Development
- Regulatory Services
- Forestry.

Administration and Grants

Administration and Grants coordinates various duties including policy and strategic planning, budgeting, personnel administration, legal, and information services. The division also monitors grant-based programs in the areas of soil conservation and water quality, pesticide pollution and abatement, commodity distribution assistance to eligible recipients, forestry incentives, and volunteer fire department assistance. Overseeing the distribution of donated surplus USDA food is also an important function of this area. The department cooperates with the National Agricultural Statistics Service to collect, analyze, and publish reliable data for producers and decision makers in agriculture.

TDA administers programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality. Through the Agricultural Resources Conservation Fund, cost-share grants are provided to farmers and other landowners who install best management practices to achieve these goals.

The Tennessee Grain Indemnity Fund protects grain producers against the financial failure of a commodity dealer or warehouseman. The program is funded from interest income and grain producers' self-imposed assessments.

Funds deposited in the Certified Cotton Growers Organizational Fund are used for the Boll Weevil Eradication Program. The purpose of this program is to destroy, suppress, and eradicate boll weevils.

Administration and Grants also provides staff support and data management services for the Tennessee Tobacco Farmers Certifying Board. The board is responsible for certifying tobacco farmers eligible to receive a share of the (Phase II) National Tobacco Growers Settlement Trust.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
325.01 Administration and Grants					
Full-Time	81	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	82	82	82	0	82
Payroll	3,780,700	4,219,200	4,225,700	0	4,225,700
Operational	9,771,500	9,358,100	9,024,700	0	9,024,700
Total	\$13,552,200	\$13,577,300	\$13,250,400	\$0	\$13,250,400
State	9,200,200	8,923,300	8,711,400	0	8,711,400
Federal	4,148,600	4,338,200	4,338,200	0	4,338,200
Other	203,400	315,800	200,800	0	200,800
325.08 Agricultural Resources Conservation Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,785,700	756,200	0	1,875,000	1,875,000
Total	\$2,785,700	\$756,200	\$0	\$1,875,000	\$1,875,000
State	2,773,600	656,200	0	1,875,000	1,875,000
Federal	0	0	0	0	0
Other	12,100	100,000	0	0	0
325.12 Tennessee Grain Indemnity Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	119,200	126,700	126,700	0	126,700
Total	\$119,200	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	119,200	126,700	126,700	0	126,700
325.14 Certified Cotton Growers' Organization Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,448,200	15,435,000	15,435,000	0	15,435,000
Total	\$9,448,200	\$15,435,000	\$15,435,000	\$0	\$15,435,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
State	9,405,200	15,435,000	15,435,000	0	15,435,000
Federal	0	0	0	0	0
Other	43,000	0	0	0	0

Market Development

The Market Development division works to develop domestic and foreign markets for Tennessee agricultural and forest products, and to attract agriculture and forest industry to the state. Marketing efforts promote a variety of products including horticultural material, livestock, fruits and vegetables, value-added products, aquaculture, Tennessee wines, and other products. Market Development also encourages local non-profit agricultural fairs and livestock shows throughout the state by providing financial assistance.

325.06 Market Development

Full-Time	27	27	25	0	25
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	29	29	27	0	27
Payroll	1,220,400	1,323,000	1,244,200	0	1,244,200
Operational	1,480,400	1,667,400	1,487,100	0	1,487,100
Total	\$2,700,800	\$2,990,400	\$2,731,300	\$0	\$2,731,300
State	2,119,400	2,407,300	2,293,700	0	2,293,700
Federal	393,600	390,600	245,100	0	245,100
Other	187,800	192,500	192,500	0	192,500

Regulatory Services

Regulatory Services is dedicated to the two main objectives of production quality and consumer protection. Responsibilities of the division encompass various activities such as sampling the quality of feeds, seeds, and fertilizers; protecting animal and plant health; registering pesticides; ensuring food safety; and inspecting processing establishments. A state of the art laboratory supports other regulatory efforts by providing quality analytical data.

325.05 Regulatory Services

Full-Time	224	216	215	0	215
Part-Time	0	0	0	0	0
Seasonal	3	3	3	0	3
Total	227	219	218	0	218
Payroll	9,009,300	9,813,100	9,777,600	0	9,777,600
Operational	4,860,000	6,405,400	5,499,600	0	5,499,600
Total	\$13,869,300	\$16,218,500	\$15,277,200	\$0	\$15,277,200
State	8,336,300	9,645,300	9,324,300	0	9,324,300
Federal	931,200	1,374,300	859,500	0	859,500
Other	4,601,800	5,198,900	5,093,400	0	5,093,400

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
325.16 Agricultural Regulatory Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,521,500	2,474,400	2,474,400	0	2,474,400
Total	\$2,521,500	\$2,474,400	\$2,474,400	\$0	\$2,474,400
State	2,455,200	2,354,400	2,354,400	0	2,354,400
Federal	0	0	0	0	0
Other	66,300	120,000	120,000	0	120,000

Forestry

The Forestry division provides operational support and maintenance to Tennessee's abundant public and private forest resources. Forestry's programs and services include fire suppression, water quality protection, insect and disease control, land owner assistance, tree improvement and seedling production, product utilization and promotion, urban forestry, and state forest management. The Forestry Maintenance division provides maintenance and support of forestry facilities and equipment.

325.10 Forestry

Full-Time	354	332	328	0	328
Part-Time	3	3	3	0	3
Seasonal	230	227	223	0	223
Total	587	562	554	0	554
Payroll	13,004,800	14,813,200	14,567,000	0	14,567,000
Operational	9,540,800	9,446,800	9,019,500	3,600,000	12,619,500
Total	\$22,545,600	\$24,260,000	\$23,586,500	\$3,600,000	\$27,186,500
State	14,826,900	16,484,200	15,890,700	3,600,000	19,490,700
Federal	5,203,000	4,722,600	4,722,600	0	4,722,600
Other	2,515,700	3,053,200	2,973,200	0	2,973,200

325.11 Forestry Maintenance

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	193,600	158,500	158,500	0	158,500
Total	\$193,600	\$158,500	\$158,500	\$0	\$158,500
State	158,500	158,500	158,500	0	158,500
Federal	0	0	0	0	0
Other	35,100	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
325.00 Department Total					
Full-Time	686	656	649	0	649
Part-Time	5	5	5	0	5
Seasonal	234	231	227	0	227
Total	925	892	881	0	881
Payroll	27,015,200	30,168,500	29,814,500	0	29,814,500
Operational	40,720,900	45,828,500	43,225,500	5,475,000	48,700,500
Total	\$67,736,100	\$75,997,000	\$73,040,000	\$5,475,000	\$78,515,000
State	49,275,300	56,064,200	54,168,000	5,475,000	59,643,000
Federal	10,676,400	10,825,700	10,165,400	0	10,165,400
Other	7,784,400	9,107,100	8,706,600	0	8,706,600

Department of Tourist Development

The Department of Tourist Development is responsible for planning and implementing marketing and service programs that increase the economic impact of tourism. These programs are designed to enhance Tennessee's image as a primary tourist destination, thus increasing the number of travelers and tourists coming to Tennessee. The department also helps in developing new tourism programs in smaller communities to positively impact local economic development. In addition, the department provides visitors to Tennessee's thirteen welcome centers with a safe, positive impression of Tennessee. To achieve these and other program activities, the department is organized into two divisions: Administration and Marketing and Welcome Centers.

Administration and Marketing

This division is responsible for the overall administration of the department including financial services, information system services, and support services. In addition, the management and implementation of the department's marketing programs and services are accomplished in this division. Some of the specific marketing programs include:

- Creating, producing, and placing broadcast and print media campaigns
- Developing direct sales programs that target group tour companies, travel agents, and international tour operators
- Promoting Tennessee to the media and national travel press by writing and distributing camera-ready travel articles and sponsoring travel writer press trips to Tennessee locations
- Developing promotional brochures and travel literature for distribution to customers
- Collecting travel data and developing marketing research information
- Developing rural and heritage tourism promotional opportunities by directly working with local communities
- Providing co-op advertising, marketing, and promotional opportunities to businesses in the travel industry.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
326.01 Administration and Marketing					
Full-Time	24	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	22	22	0	22
Payroll	1,258,600	1,353,100	1,353,100	0	1,353,100
Operational	6,448,900	8,091,600	7,715,900	0	7,715,900
Total	\$7,707,500	\$9,444,700	\$9,069,000	\$0	\$9,069,000
State	7,701,800	7,434,700	7,059,000	0	7,059,000
Federal	0	0	0	0	0
Other	5,700	2,010,000	2,010,000	0	2,010,000

Welcome Centers

This division is responsible for the operation of the 13 welcome centers located on Tennessee's interstate highways. These centers are the initial contact point for many travelers entering

Tennessee. The staff at the welcome centers provide free travel information, brochures, literature, and reservations to the millions of visitors who stop at the centers each year.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
326.03 Welcome Centers					
Full-Time	123	117	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	123	117	117	0	117
Payroll	3,462,400	3,599,800	3,599,800	0	3,599,800
Operational	1,052,400	983,200	967,000	0	967,000
Total	\$4,514,800	\$4,583,000	\$4,566,800	\$0	\$4,566,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,514,800	4,583,000	4,566,800	0	4,566,800
326.00 Department Total					
Full-Time	147	139	139	0	139
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	147	139	139	0	139
Payroll	4,721,000	4,952,900	4,952,900	0	4,952,900
Operational	7,501,300	9,074,800	8,682,900	0	8,682,900
Total	\$12,222,300	\$14,027,700	\$13,635,800	\$0	\$13,635,800
State	7,701,800	7,434,700	7,059,000	0	7,059,000
Federal	0	0	0	0	0
Other	4,520,500	6,593,000	6,576,800	0	6,576,800

Department of Economic and Community Development

The Department of Economic and Community Development (ECD) encourages new job creation and better job opportunities throughout the state in an effort to improve the economic growth within the state. The philosophy of the Department of Economic and Community Development is to invest in Tennessee's greatest resources - the state's communities and people - through assistance in community-based infrastructure and training investments. ECD's top priorities are preparing local communities for economic development opportunities, training Tennessee's workers, recruiting new industries, and assisting existing firms.

The Department of Economic and Community Development has six functional areas:

- Administrative Services
- Industrial Development
- Business Services
- FastTrack Job Training Assistance Program and Job Skills
- Community Development
- Energy Division.

Administrative Services

Administrative Services performs and coordinates research, advertising, communications, and various administrative services. The Industrial Research Section provides statistical data in support of other divisions and services to existing industries. Specific services include maintaining a database of manufacturing companies in the state, conducting prospect feasibility studies, and preparing business cost comparisons. The Advertising and Communications Office serves the public affairs needs of each division, coordinates the advertising needs and produces informational publications. The Tennessee Technology Development Corporation promotes in-state technology development and the recruitment of high technology industries.

The Tennessee Film, Entertainment and Music Commission is administratively attached to ECD. The commission attracts television, commercial, movie, and videotape projects to Tennessee and promotes the use of Tennessee locations and artists in those productions. Some activities include:

- Reading scripts and storyboards
- Acting as liaison with local communities
- Assisting with advance scouting and accommodations
- Matching scenes to Tennessee locations.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
330.01 Administrative Services					
Full-Time	39	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	43	43	0	43

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	1,953,300	2,409,200	2,387,200	0	2,387,200
Operational	2,368,200	2,243,600	2,083,600	0	2,083,600
Total	\$4,321,500	\$4,652,800	\$4,470,800	\$0	\$4,470,800
State	4,200,700	4,271,700	4,198,000	0	4,198,000
Federal	62,900	86,100	86,100	0	86,100
Other	57,900	295,000	186,700	0	186,700

Industrial Development

Marketing services personnel, through the Industrial Development division, act as the state's sales force to recruit new industry from domestic and international markets. The Office of International Affairs, also within this division, serves to boost Tennessee's global business connections and elevate the state's image as a premier international business location and a source of quality products and services.

330.02 Industrial Development

Full-Time	23	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	23	23	0	23
Payroll	1,258,600	1,393,300	1,393,300	0	1,393,300
Operational	5,043,500	3,345,000	1,835,500	0	1,835,500
Total	\$6,302,100	\$4,738,300	\$3,228,800	\$0	\$3,228,800
State	5,090,300	3,398,300	3,065,800	0	3,065,800
Federal	41,500	0	43,000	0	43,000
Other	1,170,300	1,340,000	120,000	0	120,000

Business Services

Business Services addresses the needs of existing businesses. Specific programs include:

- Existing Industry Services
- Office of Small Business Services
- Office of Minority Business Enterprise.

330.05 Business Services

Full-Time	13	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	16	16	0	16
Payroll	644,200	1,017,400	1,017,400	0	1,017,400
Operational	817,500	674,900	523,700	0	523,700
Total	\$1,461,700	\$1,692,300	\$1,541,100	\$0	\$1,541,100
State	1,286,000	1,227,900	1,361,200	0	1,361,200
Federal	0	7,700	0	0	0
Other	175,700	456,700	179,900	0	179,900

The Small and Minority Owned Telecommunications Program provides loan guarantees, education, training, consulting, and technical assistance to help small, minority and/or women-owned telecommunications businesses grow in Tennessee.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
330.03 Small and Minority Owned Telecommunications Program					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	289,400	80,100	80,100	0	80,100
Total	\$289,400	\$80,100	\$80,100	\$0	\$80,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	289,400	80,100	80,100	0	80,100

FastTrack Job Training Assistance Program and Job Skills

The FastTrack Job Training Assistance Program provides customized training assistance to new and expanding business and industry in Tennessee. The training assistance is an incentive for these employers to locate or expand in Tennessee.

330.09 FastTrack Job Training Assistance Program

Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	268,500	328,400	350,400	0	350,400
Operational	2,011,000	2,038,900	2,038,700	10,600,000	12,638,700
Total	\$2,279,500	\$2,367,300	\$2,389,100	\$10,600,000	\$12,989,100
State	2,279,500	2,367,300	2,389,100	10,600,000	12,989,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

The Job Skills Fund is a workforce development incentive program designed to enhance employment opportunities and to meet the needs of existing and new industries in Tennessee by providing training grants to eligible employers. Priority is given to employers who promote high-skill, high-wage jobs in advanced technology, emerging occupations, or skilled manufacturing.

330.13 Job Skills Fund

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	172,800	276,800	276,800	0	276,800
Operational	6,869,700	9,127,600	9,207,700	0	9,207,700
Total	\$7,042,500	\$9,404,400	\$9,484,500	\$0	\$9,484,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	7,042,500	9,404,400	9,484,500	0	9,484,500

Community Development

Community Development Services works with communities to ensure they develop and maintain the leadership, organizations, and community facilities essential for economic growth. The FastTrack Infrastructure Development Program assists local communities with economic growth by providing grants for infrastructure improvements, industrial site preparation, and industrial training. Infrastructure improvements involve activities such as water, wastewater, and rail services. Industrial site preparation includes grading, leveling, and drainage projects. Other primary activities of Community Development Services include:

- Administering Community Development Block grants, Appalachian Regional Commission grants, and Delta Regional Authority grants
- Administering the Three-Star Community Economic Preparedness Program
- Providing local planning services to Tennessee cities and counties.

330.04 Regional Grants Management

Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	805,100	948,500	948,500	0	948,500
Operational	27,434,300	32,761,700	32,765,200	196,100	32,961,300
Total	\$28,239,400	\$33,710,200	\$33,713,700	\$196,100	\$33,909,800
State	1,635,400	1,681,200	1,686,100	196,100	1,882,200
Federal	26,536,200	31,959,000	31,957,600	0	31,957,600
Other	67,800	70,000	70,000	0	70,000

330.06 FastTrack Infrastructure Development Program

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,644,400	15,132,000	13,632,000	8,000,000	21,632,000
Total	\$13,644,400	\$15,132,000	\$13,632,000	\$8,000,000	\$21,632,000
State	13,621,500	15,100,000	13,600,000	8,000,000	21,600,000
Federal	0	0	0	0	0
Other	22,900	32,000	32,000	0	32,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
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330.07 Community Development

Full-Time	79	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	79	79	0	79
Payroll	3,267,700	3,740,200	3,740,200	0	3,740,200
Operational	916,500	835,700	931,300	0	931,300
Total	\$4,184,200	\$4,575,900	\$4,671,500	\$0	\$4,671,500
State	2,556,100	3,267,300	2,963,300	0	2,963,300
Federal	170,300	146,300	146,300	0	146,300
Other	1,457,800	1,162,300	1,561,900	0	1,561,900

Energy Division

The Energy Division promotes efficient and economic use of energy by public and private sectors of the Tennessee economy. This division, through grants from the U. S. Department of Energy, renders technical and financial assistance to Tennessee's existing businesses, local governments, schools, and hospitals in order to reduce energy costs.

330.08 Energy Division

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	663,200	808,800	808,800	0	808,800
Operational	961,300	1,822,700	1,821,800	0	1,821,800
Total	\$1,624,500	\$2,631,500	\$2,630,600	\$0	\$2,630,600
State	25,400	12,400	34,300	0	34,300
Federal	1,599,100	2,619,100	2,596,300	0	2,596,300
Other	0	0	0	0	0

330.00 Department Total

Full-Time	199	206	206	0	206
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	199	206	206	0	206
Payroll	9,033,400	10,922,600	10,922,600	0	10,922,600
Operational	60,355,800	68,062,200	64,919,600	18,796,100	83,715,700
Total	\$69,389,200	\$78,984,800	\$75,842,200	\$18,796,100	\$94,638,300
State	30,694,900	31,326,100	29,297,800	18,796,100	48,093,900
Federal	28,410,000	34,818,200	34,829,300	0	34,829,300
Other	10,284,300	12,840,500	11,715,100	0	11,715,100

Department of Transportation

The Department of Transportation plans, designs, constructs, and maintains the state's highway network. The department is also responsible for other modes of transportation such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of four major program areas:

- Headquarters
- Bureau of Administration
- Bureau of Environment and Planning
- Bureau of Engineering.

Headquarters

Transportation Headquarters consists of the commissioner's office, staff, and the Aeronautics Division. This office also provides support functions as well as necessary liaison activities with other branches of state government to ensure compliance with all legal and policy requirements.

The Division of Insurance Premiums provides funding for claims payment when litigation requires payment to third parties.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
401 Headquarters					
Full-Time	95	108	105	0	105
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	108	105	0	105
Payroll	4,420,800	5,512,400	5,467,500	0	5,467,500
Operational	7,647,600	8,414,100	8,478,700	0	8,478,700
Reallocated	156,600	345,500	324,800	0	324,800
Total	\$12,225,000	\$14,272,000	\$14,271,000	\$0	\$14,271,000
State	12,225,000	14,272,000	14,271,000	0	14,271,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
414 Insurance Premiums					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	7,599,500	8,490,000	10,282,000	0	10,282,000
Reallocated	0	0	0	0	0
Total	\$7,599,500	\$8,490,000	\$10,282,000	\$0	\$10,282,000
State	7,599,500	8,490,000	10,282,000	0	10,282,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Bureau of Administration

This bureau provides funding for the administrative activities of the department. Functions include Governor's Highway Safety Office, central services, finance, human resources, contract administration, and information technology. These areas provide general management support to the department.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
402 Bureau of Administration					
Full-Time	235	271	274	0	274
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	235	271	274	0	274
Payroll	10,504,700	13,330,000	13,144,500	0	13,144,500
Operational	23,093,700	17,064,200	19,936,500	0	19,936,500
Reallocated	(187,600)	(607,200)	(241,000)	0	(241,000)
Total	\$33,410,800	\$29,787,000	\$32,840,000	\$0	\$32,840,000
State	33,410,800	29,787,000	32,840,000	0	32,840,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Bureau of Environment and Planning

This bureau provides funding for the planning and environmental activities of the department. Functions include strategic planning, environmental compliance, environmental planning and permitting, transportation planning, mapping and statistics, functional design, public transit, waterways, and rail and railroad safety. Such activities include:

- Conducting studies and surveys required by various federal agencies
- Providing for rail-highway crossing safety and railroad safety
- Providing funds for mass transit projects including rideshare programs
- Monitoring affected environments.

405 Bureau of Environment and Planning

Full-Time	264	267	267	0	267
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	264	267	267	0	267
Payroll	13,039,900	13,069,800	13,595,400	0	13,595,400
Operational	951,500	956,000	1,322,200	0	1,322,200
Reallocated	(7,479,300)	(7,449,800)	(7,743,600)	0	(7,743,600)
Total	\$6,512,100	\$6,576,000	\$7,174,000	\$0	\$7,174,000
State	6,512,100	6,576,000	7,174,000	0	7,174,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
416 Mass Transit					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	44,442,200	52,801,700	47,943,100	0	47,943,100
Reallocated	13,600	78,300	13,900	0	13,900
Total	\$44,455,800	\$52,880,000	\$47,957,000	\$0	\$47,957,000
State	30,674,500	28,188,000	30,146,000	0	30,146,000
Federal	12,892,200	24,459,000	17,573,000	0	17,573,000
Other	889,100	233,000	238,000	0	238,000

440 Planning and Research

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,882,200	12,715,000	11,255,200	0	11,255,200
Reallocated	5,433,800	5,785,000	5,944,800	0	5,944,800
Total	\$15,316,000	\$18,500,000	\$17,200,000	\$0	\$17,200,000
State	3,063,200	7,700,000	5,100,000	0	5,100,000
Federal	12,252,800	10,800,000	12,100,000	0	12,100,000
Other	0	0	0	0	0

494 Air, Water, and Rail Transportation

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	28,017,400	41,796,600	44,947,000	0	44,947,000
Reallocated	32,800	3,400	38,000	0	38,000
Total	\$28,050,200	\$41,800,000	\$44,985,000	\$0	\$44,985,000
State	22,159,700	24,500,000	25,385,000	0	25,385,000
Federal	5,610,000	12,700,000	14,400,000	0	14,400,000
Other	280,500	4,600,000	5,200,000	0	5,200,000

Bureau of Engineering

The Bureau of Engineering is responsible for coordinating the construction, maintenance, and inspection of highways, bridges, and navigational equipment. Such activities include:

- Constructing, resurfacing, restoring, and rehabilitating Tennessee's interstate system
- Conducting studies and surveys required by various federal agencies

- Constructing industrial highways, national forest roads, connector routes, bridges, water port facilities, and rail short-lines
- Constructing or replacing plant facilities for the Bureau of Engineering
- Providing engineering and administrative support to other state agencies' construction not involving roads in the state highway system
- Eliminating junkyards and control of outdoor advertising and easements
- Providing for high-hazard and roadside obstacle warnings, and pavement marking
- Operating a fleet management program to replace and purchase new mobile equipment
- Conducting a congestion mitigation and air quality program in Tennessee's non-attainment areas
- Maintaining the state's existing motorized equipment (with the exception of the executive line and motor pool vehicles)
- Building and maintaining bicycle trails
- Collecting travel data
- Bridge design
- Using Intelligent Transportation System (ITS) technology to minimize traffic congestion in urban areas of Tennessee.

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
403 Bureau of Engineering					
Full-Time	879	874	874	0	874
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	879	874	874	0	874
Payroll	39,106,900	45,050,500	46,565,400	0	46,565,400
Operational	589,800	3,171,100	3,135,400	0	3,135,400
Reallocated	(19,198,400)	(25,035,600)	(23,800,800)	0	(23,800,800)
Total	\$20,498,300	\$23,186,000	\$25,900,000	\$0	\$25,900,000
State	20,498,300	23,186,000	25,900,000	0	25,900,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
412 Field Engineering					
Full-Time	574	571	571	0	571
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	574	571	571	0	571
Payroll	22,872,000	24,975,200	26,150,700	0	26,150,700
Operational	3,676,000	4,555,900	4,129,500	0	4,129,500
Reallocated	(2,943,800)	(3,208,100)	(3,650,200)	0	(3,650,200)
Total	\$23,604,200	\$26,323,000	\$26,630,000	\$0	\$26,630,000
State	23,604,200	26,323,000	26,630,000	0	26,630,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
418 Field Construction					
Full-Time	977	960	960	0	960
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	977	960	960	0	960
Payroll	37,252,400	39,021,300	39,691,600	0	39,691,600
Operational	37,700	0	0	0	0
Reallocated	(37,290,100)	(39,021,300)	(39,691,600)	0	(39,691,600)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0
419 Field Maintenance Operations					
Full-Time	1,639	1,597	1,597	0	1,597
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,639	1,597	1,597	0	1,597
Payroll	47,372,700	50,429,200	52,822,300	0	52,822,300
Operational	62,500	0	0	0	0
Reallocated	(47,435,200)	(50,429,200)	(52,822,300)	0	(52,822,300)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0
430 Equipment Purchases and Operations					
Full-Time	273	270	270	0	270
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	273	270	270	0	270
Payroll	8,698,600	9,112,400	9,580,000	0	9,580,000
Operational	27,211,900	32,600,100	35,082,200	0	35,082,200
Reallocated	(23,440,300)	(23,918,500)	(23,231,200)	0	(23,231,200)
Total	\$12,470,200	\$17,794,000	\$21,431,000	\$0	\$21,431,000
State	12,470,200	17,794,000	21,431,000	0	21,431,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
451 Highway Maintenance					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	216,313,200	206,665,700	177,941,700	0	177,941,700
Reallocated	70,575,600	75,379,300	76,586,300	0	76,586,300
Total	\$286,888,800	\$282,045,000	\$254,528,000	\$0	\$254,528,000
State	286,888,800	280,945,000	253,428,000	0	253,428,000
Federal	0	0	0	0	0
Other	0	1,100,000	1,100,000	0	1,100,000

453 Highway Betterments

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	8,954,900	5,032,200	4,678,300	0	4,678,300
Reallocated	1,025,300	767,800	1,121,700	0	1,121,700
Total	\$9,980,200	\$5,800,000	\$5,800,000	\$0	\$5,800,000
State	9,980,200	5,700,000	5,700,000	0	5,700,000
Federal	0	0	0	0	0
Other	0	100,000	100,000	0	100,000

455 State Aid

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	22,832,700	37,915,800	37,438,100	0	37,438,100
Reallocated	221,300	229,200	242,900	0	242,900
Total	\$23,054,000	\$38,145,000	\$37,681,000	\$0	\$37,681,000
State	16,829,400	27,922,000	28,922,000	0	28,922,000
Federal	0	0	0	0	0
Other	6,224,600	10,223,000	8,759,000	0	8,759,000

470 State Industrial Access

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,293,600	9,718,800	10,212,300	0	10,212,300
Reallocated	729,900	1,296,200	802,700	0	802,700
Total	\$6,023,500	\$11,015,000	\$11,015,000	\$0	\$11,015,000
State	6,023,500	10,815,000	10,815,000	0	10,815,000
Federal	0	0	0	0	0
Other	0	200,000	200,000	0	200,000

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
472 Interstate Construction					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	117,804,200	124,561,900	145,802,400	0	145,802,400
Reallocated	3,829,500	7,263,100	4,222,600	0	4,222,600
Total	\$121,633,700	\$131,825,000	\$150,025,000	\$0	\$150,025,000
State	10,947,000	13,025,000	14,825,000	0	14,825,000
Federal	108,254,000	117,300,000	133,700,000	0	133,700,000
Other	2,432,700	1,500,000	1,500,000	0	1,500,000
475 Forest Highways					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,800	894,800	825,200	0	825,200
Reallocated	70,900	5,200	74,800	0	74,800
Total	\$81,700	\$900,000	\$900,000	\$0	\$900,000
State	16,300	200,000	200,000	0	200,000
Federal	65,400	700,000	700,000	0	700,000
Other	0	0	0	0	0
478 Local Interstate Connectors					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,817,800	2,488,200	2,607,000	0	2,607,000
Reallocated	313,400	461,800	343,000	0	343,000
Total	\$4,131,200	\$2,950,000	\$2,950,000	\$0	\$2,950,000
State	2,065,600	1,475,000	1,475,000	0	1,475,000
Federal	0	0	0	0	0
Other	2,065,600	1,475,000	1,475,000	0	1,475,000
480 State Highway Construction					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Base 2004-2005</u>	<u>Improvement 2004-2005</u>	<u>Recommended 2004-2005</u>
Payroll	0	0	0	0	0
Operational	540,043,000	591,086,500	748,643,500	0	748,643,500
Reallocated	40,658,300	45,441,500	45,077,500	0	45,077,500
Total	\$580,701,300	\$636,528,000	\$793,721,000	\$0	\$793,721,000
State	261,315,600	157,578,000	267,821,000	0	267,821,000
Federal	301,964,700	466,300,000	511,700,000	0	511,700,000
Other	17,421,000	12,650,000	14,200,000	0	14,200,000

481 Capital Improvements

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,536,500	7,258,600	9,936,800	0	9,936,800
Reallocated	112,700	115,400	118,200	0	118,200
Total	\$2,649,200	\$7,374,000	\$10,055,000	\$0	\$10,055,000
State	2,649,200	7,374,000	10,055,000	0	10,055,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

488 Bridge Replacement

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	96,674,800	74,902,000	79,830,500	0	79,830,500
Reallocated	14,801,000	12,498,000	16,269,500	0	16,269,500
Total	\$111,475,800	\$87,400,000	\$96,100,000	\$0	\$96,100,000
State	14,491,900	5,000,000	5,000,000	0	5,000,000
Federal	89,180,600	78,700,000	87,000,000	0	87,000,000
Other	7,803,300	3,700,000	4,100,000	0	4,100,000

400 Department Total

Full-Time	4,936	4,918	4,918	0	4,918
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,936	4,918	4,918	0	4,918
Payroll	183,268,000	200,500,800	207,017,400	0	207,017,400
Operational	1,167,493,500	1,243,089,200	1,404,427,600	0	1,404,427,600
Reallocated	0	0	0	0	0
Total	\$1,350,761,500	\$1,443,590,000	\$1,611,445,000	\$0	\$1,611,445,000
State	783,425,000	696,850,000	797,400,000	0	797,400,000
Federal	530,219,700	710,959,000	777,173,000	0	777,173,000
Other	37,116,800	35,781,000	36,872,000	0	36,872,000

Transportation, Business and Economic Development Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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316.20 Tennessee Housing Development Agency

316.20 Tennessee Housing Development Agency

Performance Information

Standard: Provide lower than market interest rate loans for low and moderate income first time homebuyers across the State of Tennessee with available resources.			
Measure: Number of mortgages originated.	1,854	2,225	2,225
Standard: Oversee the servicing of mortgage loans originated by the agency to ensure the financial stability of THDA.			
Measure: Number of loans serviced.	26,500	27,000	27,500
Standard: Administer the HOME federal grant program and allocate available funds to cities, counties and non-profits for the provision of homeowner rehabilitation for low income Tennesseans.			
Measure: Number of housing units funded.	327	350	350
Standard: Administer the Low Income Housing Tax Credit program and allocate available credits to applicants for the creation of affordable multi-family housing units for low income Tennesseans.			
Measure: Number of multi-family units created via tax credit awards.	2,004	2,250	2,250
Standard: Administer the Multi-Family Bond Authority program and allocate bond authority to local issuers for the creation of affordable multi-family housing for low income Tennesseans.			
Measure: Number of units created via tax exempt bond allocation.	1,203	1,750	1,750
Standard: Administer the federally funded Section 8 Housing Choice Voucher program and manage the number of vouchers assigned by HUD to provide rental assistance for low income Tennesseans.			
Measure: Number of vouchers issued/under lease.	5,943	6,000	6,000
Standard: Administer the federally funded Section 8 Contract Administration program and manage the number of properties assigned by HUD to provide rental assistance for low income Tennesseans.			
Measure: Number of units under lease.	28,105	28,500	29,250

325.00 Agriculture

325.01 Administration and Grants

Performance Information

Standard: Improve water quality in Tennessee utilizing federal funds available from EPA and approved in the 319 Management Program document.			
Measure: Number of Best Management Practices (BMPs) installed within threatened watersheds.	20	30	60

Transportation, Business and Economic Development

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Improve water quality in Tennessee utilizing federal funds available from EPA and approved in the 319 Management Program document.			
Measure: Number of Best Management Practices (BMPs) installed within impaired watersheds.	125	150	250
Standard: Increase awareness of effective water quality practices utilizing federal funds available from EPA and approved in the 319 Management Program Document.			
Measure: Number of outreach and educational projects sponsored.	8	8	10
Standard: Maximize use of commodities allocated from USDA in the School Nutrition Program.			
Measure: The percentage of School Nutrition allocation distributed.	90%	92%	94%
Standard: Maximize use of commodities allocated from USDA in the Emergency Food Assistance Program.			
Measure: The value of Emergency Food Assistance Program allocation distributed.	99%	99%	99%
Standard: Successfully resolve cases investigated, by prosecution or compliance.			
Measure: Resolution rate of cases investigated (cases resolved as a percentage of cases investigated).	Not Available	70%	75%
Standard: Successfully prosecute persons arrested.			
Measure: Successful prosecution of persons arrested (convictions as a percentage of arrests).	Not Available	85%	90%
Standard: Investigate cases reported to the crime unit.			
Measure: Investigation response (cases investigated as a percentage of cases referred to the Unit).	55%	60%	65%
Standard: Obtain awards of restitution and suppression cost sought through prosecution and/or plea bargain.			
Measure: Recovery of restitution and suppression costs (awards granted by the courts as a percentage of costs requested).	Not Available	90%	90%
Standard: Eradicate boll weevils.			
Measure: The average number of boll weevils trapped (per trap per week).	1.38	0.20	0.00

325.05 Regulatory Services

Performance Information

Standard: Insure routine food establishment inspections meet audit compliance standards.			
Measure: Consistency of food inspections indicated by comparison of audit inspections meeting goal.	Not Available	60%	75%
Standard: Decrease the number of retail food stores scoring below target on routine inspections.			
Measure: Number of retail food stores receiving a sanitation inspection score of less than 70 on routine inspections.	443	400	375

Transportation, Business and Economic Development

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Insure all producers pass state/federal milk-rating audits.			
Measure: Compliance audits of Tennessee milk supply determined by state and federal auditors: number of units not passing audits.	0	0	0
Standard: Reduce the number of retail food stores issued civil penalties.			
Measure: The number of retail food stores issued a civil penalty.	443	425	400
Standard: Insure weighing and measuring devices weigh accurately.			
Measure: Compliance of weighing and measuring devices--percent passing accuracy tests.	96.9%	97.0%	97.0%
Standard: Insure commodity lots inspected are accurately weighed.			
Measure: Compliance percentage of commodity lots inspected for correct net contents.	90.1%	89.0%	90.0%
Standard: Insure commodities inspected are accurately priced.			
Measure: Compliance percentage of commodities verified for accurate pricing.	96.2%	96.5%	96.5%
Standard: Insure kerosene and motor fuel samples collected and tested meet standards.			
Measure: Compliance percentage of motor fuels and kerosene samples collected and tested.	97.8%	96.5%	97.0%
Standard: Insure all livestock disease programs meet USDA standards.			
Measure: Number of animal disease programs that do not meet the minimum requirements of disease status recognized by USDA.	0	0	0
Standard: Insure agricultural inputs are labeled properly.			
Measure: Percentage of non-violative agricultural input samples.	95%	95%	96%
Standard: Complete pesticide complaint investigations on target.			
Measure: Number of months to complete pesticide related consumer complaints.	Not Available	5	3
Standard: Increase Worker Protection Standard Inspection compliance.			
Measure: Percentage compliance of Worker Protection Standard Inspections.	77.0%	85.0%	87.5%
Standard: Decrease rejection of plant materials exported from Tennessee.			
Measure: Number of plant material lots rejected by other states/countries originating in Tennessee.	24	20	12
Standard: Prevent uninspected plant materials and other regulated articles from import into Tennessee.			
Measure: Number of plant material lots and regulated article lots rejected by Tennessee originating from other states/countries.	3	12	20
Standard: Complete mandated inspections.			
Measure: Percentage of mandated inspections performed.	90.17%	96.00%	100.00%

Transportation, Business and Economic Development

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
Standard: Complete targeted inspections.			
Measure: Percentage of targeted inspections performed.	100%	95%	100%

325.06 Market Development

Performance Information

Standard: Improve sales results from Domestic Marketing sponsored trade events.			
Measure: Sales generated by companies and farmers involved in sponsored trade events.	\$4,500,000	\$3,500,000	\$4,000,000
Standard: Maintain capital investment related to projects facilitated by MDD activities.			
Measure: Capital investment related to projects facilitated by MDD activities.	\$10,000,000	\$10,000,000	\$10,000,000
Standard: Increase the number of companies involved in international events through International Marketing.			
Measure: Number of companies involved in international events.	60	62	65
Standard: Increase the number of cattle reported through improved collection methods.			
Measure: Number of cattle reported.	700,000	725,000	730,000
Standard: Increase the number of agricultural exhibitors at fairs and exhibitions.			
Measure: Number of agricultural exhibitors at fairs and exhibitions.	96,359	98,000	100,000
Standard: Increase participation in on-site and off-site Tennessee Agricultural Museum activities.			
Measure: Number of visitors and participants in Tennessee Agricultural Museum activities.	21,500	25,000	25,500

325.08 Agricultural Resources Conservation Fund

Performance Information

Standard: Improve water quality in Tennessee by reducing point and nonpoint source pollution originating from agricultural production areas.			
Measure: Number of agricultural Best Management Practices (BMPs) installed within watersheds that could potentially be classified as impaired by point or nonpoint sources pursuant to Section 303-d of the Federal Clean Water Act.	916	25	0
Standard: Improve water quality in Tennessee by reducing point and nonpoint source pollution originating from agricultural production areas.			
Measure: Number of agricultural Best Management Practices (BMPs) installed within watersheds classified as impaired by point or nonpoint sources pursuant to Section 303-d of the Federal Clean Water Act.	10	50	0
Standard: Increase awareness of effective water quality practices.			
Measure: Number of water quality educational events sponsored.	24	10	0

Transportation, Business and Economic Development

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
325.10 Forestry Operations			
Performance Information			
Standard: Reduce annual losses of forest resources and other assets due to wildfire, forest pests, and cultural changes.			
Measure: The ratio of property value saved to property value lost due to wildland fires.	\$50 saved per \$1 lost	\$55 saved per \$1 lost	\$60 saved per \$1 lost
Standard: Increase forested acreage under active forest management.			
Measure: Number of landowners provided forest management technical assistance.	10,037	10,000	10,000
Standard: Current and reliable forest resource data, reported in a timely fashion, and readily available to the public.			
Measure: Forest inventory plot measurements completed.	610	925	925
Standard: Increase the number of state forest compartment plans updated and integrated into GIS.			
Measure: Percent of state forest compartment plans updated and integrated into a geographic information system.	3.75%	5.00%	6.25%
Standard: Increase assistance provided to forest-based businesses, industries, partnerships, and sole proprietorships.			
Measure: Number of new (non-repeat) forestry related businesses provided technical assistance.	82	90	95
Standard: Increase acres reforested using seedlings grown by division nurseries.			
Measure: Number of acres re-forested using seedlings grown by division nurseries.	4,700	9,089	8,000
Standard: Increase urban technical assistance provided to cities, towns, and communities.			
Measure: Number of cities, towns, and communities provided urban forestry technical assistance.	29	42	45
325.11 Forestry Maintenance			
Performance Information			
Standard: Utilize available funds for needed maintenance.			
Measure: Percentage of available funding used for facilities and communications maintenance.	76.22%	100.00%	100.00%
325.12 Grain Indemnity Fund			
Performance Information			
Standard: Defray administrative costs.			
Measure: Percent of administrative costs recovered.	100%	100%	100%
325.14 Certified Cotton Growers' Organization Fund			
Performance Information			
Standard: Maximize collection of assessments.			
Measure: Percent of assessments collected.	98.27%	100.00%	100.00%

Transportation, Business and Economic Development

Program Information

Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
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325.16 Agricultural Regulatory Fund

Performance Information

Standard: Maximize work plan expenditures funded with agricultural regulatory fund dollars.

Measure: Percentage of work plan estimated expenditures transferred at year-end.

100%	96%	98%
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326.00 Tourist Development

326.01 Administration and Marketing

Performance Information

Standard: Increase travel generated sales.

Measure: Annual gross sales for selected travel-related businesses in Tennessee.

\$6,055,782,000	\$6,298,013,000	\$6,298,013,000
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Standard: Increase requests for Tennessee travel information.

Measure: Number of requests for Tennessee travel information.

291,990	305,000	264,600
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326.03 Welcome Centers

Performance Information

Standard: Manage a system of 13 welcome centers capable of serving 13 million visitors annually.

Measure: Annual number of visitors at all welcome centers.

13,000,000	13,000,000	13,000,000
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Standard: Encourage travelers to extend their stay in Tennessee by providing free reservation service and increase the annual number of reservations.

Measure: Number of reservations made for travelers.

11,360	11,700	12,050
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330.00 Economic and Community Development

330.01 Administrative Services

Performance Information

Standard: Design and implement a regional approach to promoting and positioning the distinctly different economies of the state within 18 months of assessment.

Measure: The number of months to establish and map the boundary lines of the various regional economies of Tennessee, and assign offices to assess the specific challenges of each of those regions within 24 months of start date.

0	18	18
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Standard: Implement a plan that will encourage the creation of new business start-ups with a focus on higher paying, emerging technologies.

Measure: The number of months to establish a new program to encourage the growth of newly formed technology companies.

0	24	24
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Standard: Form and build upon relationships between ECD and its partners.

Measure: The number of months to implement a new set of standards and protocols for partners with whom ECD has either co-financial or co-branded relationships.

0	24	12
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Transportation, Business and Economic Development Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
330.02 Industrial Development			
Performance Information			
Standard: The national and international areas will make 500 client presentations over the next 12 months.			
Measure: The number of client presentations made during the fiscal year recruitment trips.	0	500	500
Standard: The section will generate 450 new contacts that can be qualified as potential investment prospects.			
Measure: The number of contacts generated that can be qualified as potential investment prospects.	0	450	450
Standard: The business development section will field at least 480 calls, which will generate new potential relationships.			
Measure: The number of inbound calls, which will generate new potential relationships.	0	480	480
330.03 Small & Minority-Owned Telecommunications Program			
Performance Information			
Standard: Promoting the telecommunications program companies each week.			
Measure: The number of companies receiving promotions on the telecommunications program each week.	0	10	10
330.04 Regional Grants Management			
Performance Information			
Standard: Review and analyze Community Development Block Grant applications within 180 days.			
Measure: The percentage of CDBG pre-applications reviewed and analyzed within 180 days.	Not Available	90%	90%
Standard: Review and analyze Appalachian Regional Commission pre-applications within 120 days.			
Measure: The percentage of ARC pre-applications reviewed and analyzed within 120 days.	Not Available	90%	90%
330.05 Business Services			
Performance Information			
Standard: Consultants visit and attend companies each week.			
Measure: The number of consultant visits to companies each week.	Not Available	72	72
Standard: Consultants visit and attend communities each week.			
Measure: The number of consultant visits to communities each week.	Not Available	16	16
Standard: The OBE coordinates business development activities for businesses facing disadvantages entering the economic mainstream.			
Measure: The number of business development activities coordinated for businesses facing disadvantages entering the economic mainstream.	Not Available	50	50
Standard: The OBE will make referrals each month to Small Business Assistance organizations.			
Measure: The number of referrals made monthly to Small Business Assistance organizations.	Not Available	25	25

Transportation, Business and Economic Development

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
330.06 FastTrack Infrastructure Development Program			
Performance Information			
Standard: Review and analyze applications submitted within 30 days.			
Measure: The percentage of applications reviewed within 30 days.	Not Available	80%	80%
330.07 Community Development			
Performance Information			
Standard: Provide advice and technical assistance to local governments, chambers of commerce and other agencies, groups and individuals.			
Measure: The percentage of advice and technical assistance provided to all local governments, chambers of commerce and other agencies, groups and individuals in the promotion of the general aims of ECD within 30 days.	0	80%	80%
Standard: Make studies or report upon any planning matters or problems affecting municipalities and counties for contractual agreements.			
Measure: The number of municipalities and counties under contractual agreements receiving studies or reports regarding any planning matters or problems within 12 months.	210	210	210
330.08 Energy Division			
Performance Information			
Standard: Administer energy programs.			
Measure: The number of energy programs administered within 12 months.	Not Available	15	15
Standard: Make public information and outreach contacts.			
Measure: The number of public information and outreach contacts made within 12 months.	Not Available	30,000	30,000
Standard: Provide technical assistance, contacts, and support for local governments and communities within 12 months.			
Measure: The number of local government and communities receiving technical assistance, contacts, and support within 12 months.	Not Available	3,000	3,000
Standard: Prepare programmatic and financial reports to state and USDOE within 12 months.			
Measure: The number of program and financial reports prepared for state and USDOE within 12 months.	Not Available	30	30
330.09 FastTrack Job Training Assistance Program			
Performance Information			
Standard: Provide training incentive programs for new industries.			
Measure: The number of new industries provided training incentive programs annually.	Not Available	12	12
Standard: Provide training incentive programs for existing industries.			
Measure: The number of existing industries provided training incentive programs annually.	20	20	20

Transportation, Business and Economic Development Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Provide training information for new and existing business and industry.			
Measure: The number of new and existing business and industry receiving training information annually.	Not Available	60	60
330.13 Job Skills Fund			
Performance Information			
Standard: Provide training incentive programs for new industries.			
Measure: The number of new industries provided training incentive programs annually.	Not Available	12	12
Standard: Provide training incentive programs for existing industries.			
Measure: The number of existing industries provided training incentive programs annually.	20	20	20
Standard: Provide training information for new and existing businesses and industries.			
Measure: The number of new and existing businesses and industries receiving training information annually.	Not Available	60	60
400.00 Transportation			
401.00 Headquarters			
Performance Information			
Standard: License all 76 public use airports in Tennessee.			
Measure: The percentage of the 76 public use airports in Tennessee licensed by TDOT.	88%	95%	95%
402.00 Bureau of Administration			
Performance Information			
Standard: Increase seat belt usage in Tennessee by 2% annually.			
Measure: Percent of usage of seat belts in Tennessee.	68%	70%	73%
Standard: Reduce the fatality rate by 2% annually on Tennessee roadways through increased seatbelt and child restraint use and a reduction in impaired drivers.			
Measure: Percent of reduction in fatality rate on Tennessee roadways.	Not Available	2%	2%
403.00 Bureau of Engineering			
Performance Information			
Standard: Let construction contract on five of the 119 “choke points” identified in the transportation system each year.			
Measure: The number of construction contracts let to address “choke point” problems.	37	46	49
Standard: Connect at least one county seat to the interstate highway system each year until all 95 county seats are connected.			
Measure: Number of county seats connected to the interstate highway.	54	54	56

Transportation, Business and Economic Development

Program Information

	<u>Actual 2002-2003</u>	<u>Estimated 2003-2004</u>	<u>Estimated 2004-2005</u>
Standard: Reduce the fatality rate by 2% annually on Tennessee roadways through traffic and engineering design factors.			
Measure: Percent of reduction in fatality rate on Tennessee roadways.	Not Available	2%	2%
405.00 Bureau of Environment and Planning			
Performance Information			
Standard: Completion of the 25-year statewide multimodal transportation plan.			
Measure: Completion of the 25-year statewide multimodal transportation plan, which will include the development of performance measures for the statewide transportation system.	0%	20%	70%
Standard: Improve transportation safety by increasing the number of railroad inspections to 750.			
Measure: Total number of railroad inspections completed.	Not Available	725	750
412.00 Field Engineering			
Performance Information			
Standard: All transportation construction projects opened to traffic on schedule.			
Measure: Percentage of construction projects opened to traffic on schedule.	Not Available	92%	95%
414.00 Insurance Premiums			
Performance Information			
Standard: Provide funds for insurance premiums as directed by the Department of Finance and Administration.			
Measure: Provide 100% of the actuarial estimate for TDOT's insurance premiums each year.	Not Available	100%	100%
416.00 Mass Transit			
Performance Information			
Standard: Increase transit ridership by 1.5% each year to reduce urban congestion, and increase air quality and accessibility.			
Measure: Percentage increase in transit ridership.	Not Available	1.5%	1.5%
418.00 Field Construction			
Performance Information			
Standard: Reallocate 100% of construction payroll costs to projects.			
Measure: Percentage of payroll costs reallocated.	Not Available	100%	100%
419.00 Field Maintenance Operations			
Performance Information			
Standard: Reallocate 100% of maintenance payroll costs to projects.			
Measure: Percentage of payroll costs reallocated.	Not Available	100%	100%

Transportation, Business and Economic Development

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
430.00 Equipment Purchases and Operations			
Performance Information			
Standard: The mechanic efficiency rating will be at least 80%.			
Measure: The percentage of total mechanic available work hours spent on maintaining, servicing or repairing all vehicles in the state system.			
	Not Available	80%	80%
440.00 Planning and Research			
Performance Information			
Standard: Obligate 100% of available federal highway funds. If all federal funds are not obligated within three years, the remaining funds revert to the federal government for redistribution to other state departments of transportation.			
Measure: Percentage of available federal highway funds obligated.			
	Not Available	100%	100%
451.00 Highway Maintenance			
Performance Information			
Standard: TDOT's Maintenance Rating Index related to maintaining roadways will be equal to or greater than 75.			
Measure: The condition level for the state system of roads.			
	Not Available	75	75
453.00 Highway Betterments			
Performance Information			
Standard: TDOT's Maintenance Rating Index related to improving capacity and increasing safety will be equal to or greater than 75.			
Measure: The condition level for the state system of roads.			
	Not Available	75	75
455.00 State Aid			
Performance Information			
Standard: Provide for the total distribution of funds to both the state-aid and bridge grant services as directed by statute, which is dependent on counties providing matching funds.			
Measure: Percentage of appropriated funds allotted to counties.			
	Not Available	100%	100%
470.00 State Industrial Access			
Performance Information			
Standard: To process and begin work on all projects with a state and local agreement in the current fiscal year, within funding limitations. These projects provide access to industrial areas and facilitate the development and expansion of industry within the state.			
Measure: Number of Industrial Access projects advanced to construction in the current fiscal year.			
	10	12	14

Transportation, Business and Economic Development

Program Information

	Actual 2002-2003	Estimated 2003-2004	Estimated 2004-2005
472.00 Interstate Construction			
Performance Information			
Standard:	The sum of the deck area for those bridges not classified as structurally deficient or functionally obsolete will be 75% or greater of the total deck area for all bridges.		
Measure:	Percentage of bridge deck area on interstate roads that is not structurally deficient or functionally obsolete.		
	80.6%	81.5%	82.3%
Standard:	TDOT's Maintenance Rating Index will be equal to or greater than 75.		
Measure:	The condition level for the system of interstate roads.		
	Not Available	75	75
475.00 Forest Highways			
Performance Information			
Standard:	Obligate 100% of available federal highway funds. If all federal funds are not obligated within three years, the remaining funds revert to the federal government for redistribution to other state departments of transportation.		
Measure:	Percentage of available federal highway funds obligated.		
	Not Available	100%	100%
478.00 Local Interstate Connectors			
Performance Information			
Standard:	To obligate all Local Interstate Connectors funds in the current fiscal year within funding limitations dependent on city and county governments providing matching funds.		
Measure:	Percentage of current fiscal year Local Interstate Connectors funds obligated.		
	Not Available	100%	100%
480.00 State Highway Construction			
Performance Information			
Standard:	TDOT's Maintenance Rating Index will be equal to or greater than 75.		
Measure:	The condition level for the system of state roads.		
	Not Available	75	75
Standard:	The sum of the deck area for those bridges not classified as structurally deficient or functionally obsolete will be 75% or greater of the total deck area for all bridges.		
Measure:	Percentage of bridge deck area on state roads that is not structurally deficient or functionally obsolete.		
	80.6%	81.5%	82.3%
481.00 Capital Improvements			
Performance Information			
Standard:	Obligate 100% of Capital Improvement funds available each year.		
Measure:	Percentage of available Capital Improvement funds obligated.		
	Not Available	100%	100%
488.00 Bridge Replacements			
Performance Information			
Standard:	The sum of the deck area for those bridges not classified as structurally deficient or functionally obsolete will be 75% or greater of the total deck area for all bridges.		
Measure:	Percentage of bridge deck area that is not structurally deficient or functionally obsolete.		
	80.6%	81.5%	82.3%

Transportation, Business and Economic Development Program Information

**Actual
2002-2003**

**Estimated
2003-2004**

**Estimated
2004-2005**

494.00 Air, Water, and Rail Transportation

Performance Information

Standard: Provide for the total distribution of equity funds as directed by statute.

Measure: Percentage of funds made available for airport, waterway and railway improvement projects.

Not Available

100%

100%

Glossary and Index

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Glossary of Budget Terms

A

Accrual Basis of Accounting - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

Appropriation - The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

Appropriations Bill - Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The bill also sets policies, assigns certain responsibilities, and at times specifies legislative intent on certain issues.

Authorized Positions - The maximum number of positions an agency may establish at any given time; authorized positions must receive legislative approval by legislation, by expansion, or by inclusion

in the Governor's recommended budget document.

B

Base Budget - The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

BEP - The Basic Education Program is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students.

BHO - Behavioral Health Organizations are responsible for managing the behavioral and substance abuse services for the TennCare program.

Brian A. - A settlement agreement, signed in July 2001, which guides the Department of Children's Services through a four and one-half year reform of child welfare services.

Budget Request - The annual spending and revenue plan submitted by each agency for review by the Department of Finance and Administration, the State Comptroller, and the Fiscal Review Committee.

Glossary of Budget Terms

C

Capital Budget - The portion of the budget devoted to proposed additions or maintenance to capital assets and the means of financing those additions.

Capital Maintenance - Major non-routine repairs and replacements unrelated to new construction. Improvements of this type have a cost of \$100,000 or more.

Capital Outlay - Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings, and equipment related to construction).

Capital Projects Fund - The fund used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

CCFP - The Child and Adult Care Food Program is a federal program that provides reimbursements for nutritious meals served to eligible children and adults at approved child and adult care facilities and other food service sites.

Clean Air and Water Acts - Federal laws designed to restore and maintain the nation's air and water supply.

CMATS - The Case Management Activity Tracking System is utilized by Labor and Workforce Development to track contacts between the agency and its customers.

ConnecTen - A Department of Education initiative to provide Internet access to all public schools in Tennessee.

Current Services Revenue - Program funds generated by a specific activity to support that activity. This includes fees and assessments, gifts, and interest from

reserves or endowments (e.g., licenses, permit and certificate fees, inspection fees).

D

Debt Service - Expenses for principal, interest, and discounts on bonds and other types of borrowed money.

Debt Service Fund - Funds used to retire bonds in an orderly process over the bonds life. Each year, the state sets aside a sum of money equal to a certain percentage of the total bond issue.

E

Earmarked Revenue - Funds that are legislatively limited in how they can be expended.

Econometric Model - A quantitative forecasting method used to project revenues based on historical data and growth estimates for the economy.

Education Trust Fund - The fund into which all revenues earmarked and allocated exclusively for educational purposes are deposited.

EEO - Also known as equal employment opportunity. Policies and procedures enacted by Department of Personnel to comply with federal laws governing fair employment practices as provided in the Equal Employment Opportunity Act.

EMS - Also known as emergency medical services. Provides pre-hospital emergency medical care and medical transportation systems, primarily ambulatory services.

Glossary of Budget Terms

ETOMIS - A windows based version of TOMIS.

Environmental Protection Fund (EPF) - A fund administered by the Department of Environment and Conservation whose purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

F

Facilities Revolving Fund - A self-perpetuating fund for the maintenance and renovation of state-owned buildings and the leasing of office space.

Families First - This program, administered by the Department of Human Services, replaces Aid to Families with Dependant Children (AFDC) and provides time-limited cash grants, education, job training, child care, employment assistance, and transitional benefits to poor or low income Tennesseans in order to reduce or eliminate welfare dependency.

Federal Funds - Funds received from federal government agencies for the support of programs at state and local levels. Federal funds are received by way of block grants, entitlement programs, and specific grants.

Federal Mandates - A provision of federal law or regulation which requires state government implementation. This includes the creation of new programs, changes in existing programs, and increases in state financial participation in jointly funded federal programs.

FDIC - The Federal Deposit Insurance Corporation insures bank deposits up to \$100,000.

Fiscal Year - A 12-month accounting period; in Tennessee, July 1 through June 30.

Full-time Equivalent (FTE) Enrollment - A standard measure of student enrollment designed to equate part-time students to full-time students on the basis of total hours of course work for which they are registered.

Fund - A repository of money set aside for a specific purpose.

Fund Balance - Excess of the assets of a fund over its liabilities and reserves.

G

Gateway Tests - Tests for Algebra I, Biology, and English II required for high school graduation beginning in the 2001-2002 school year.

Geier Desegregation Settlement - In January 2001, a settlement agreement in the Geier higher education desegregation lawsuit was approved by the U.S. District Court in Nashville. Implementation of the agreement will result in the final resolution of the lawsuit that was filed in 1968.

General Fund - The fund maintained by the Treasurer into which revenues collected by the state, other than highway taxes, are deposited for appropriation by the General Assembly to support the operation of state agencies.

Geographic Information System (GIS) - A computer-based system for managing spatial data and mapping applications.

Glossary of Budget Terms

Spatial data includes roads, elevation data, streams and lakes, imagery, and parcel boundaries.

Guardian Ad Litem - Program in which attorneys are appointed as guardians for dependent, neglected and abused children.

H

Highway Fund - The fund maintained by the Treasurer into which certain revenues collected by the state are deposited for appropriation by the General Assembly to the Department of Transportation. Revenues generated mostly from petroleum-related taxes comprise the Highway Fund.

HMO - Health Maintenance Organizations arrange basic health services to enrollees based on a prepaid basis. The TennCare Oversight program in Commerce and Insurance reconciles claims submitted by HMOs.

HUD - The federal Housing and Urban Development Agency provides income eligible individuals with resources to assist with their housing needs.

I

IGT - Also known as Intergovernmental Transfer. In this document, the abbreviation "IGT" means revenue collected as state tax revenue from a city or county government.

Improvements - Increases in departmental budgets needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

Interdepartmental Revenue - Revenue received by one entity of state government from another entity of state government. These funds are received as reimbursement of shared costs, as a grant, or as some other inter-agency agreement.

L

LSTA - The federal Library Services and Technology Act provides for the sharing of resources among libraries to promote equal delivery of library services to the public.

M

MCO - Managed Care Organizations are responsible for managing the distribution of medical services for the TennCare program.

Modified Accrual Basis of Accounting - Recognizes revenues in the period in which they become available and measurable; revenues are considered available when they will be collected either during the current period or soon enough after the end of the period to pay current year liabilities.

N

NAIC - Also known as the National Association of Insurance Commissioners. This organization provides policy development and technical support to state insurance regulators.

National Science Foundation (NSF) - An independent agency of the U.S. government, established by the National Science Foundation Act of 1950. The NSF funds

Glossary of Budget Terms

research and education in science and engineering.

NCUA - The National Credit Union Administration charters and supervises federal credit unions, and insures Tennessee's state-chartered credit union deposits up to \$100,000.

Ned McWherter Scholars Program - In-state scholarships offered to academically outstanding Tennessee high school students, to encourage them to attend college in Tennessee.

Non-Recurring Funds - Funds that are appropriated to be used for a one-time expense.

O

OBE - The Office of Business Enterprise, within the Department of Economic and Community Development, provides assistance to disadvantaged businesses to foster equal competition among businesses.

Operating Budget - That money which is necessary to maintain a program, excluding the cost of capital construction.

Other Revenue - A collection of funding sources, excluding state appropriations and federal funds. These funding sources are generally from local governments, current services, and interdepartmental activities.

Over-appropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

Overlaps - Term used when an appointing authority places more than one incumbent in a single position in an overlap status. This

is subject to budgetary limits as well as approval of the Commissioner of Personnel.

P

Performance-Based Budgeting - Process to identify objectives, activities, and performance indicators for each budget unit. This process will be phased in, with all agencies included by FY 2012.

Performance Measure - A quantitative or qualitative tool that is used to gauge progress toward attaining a program goal or objective.

PLHSO - Prepaid Limited Health Service Organizations arrange limited health care services, such as vision or dental services, for enrollees on a prepaid basis. The TennCare Oversight program in Commerce and Insurance reconciles claims submitted by Prepaid Limited Health Service Organizations.

Program - Any of the major activities of an agency expressed as a primary function.

R

Rainy Day Fund - A fund established to ensure stability in the event of an extended economic downturn (also referred to as the Revenue Fluctuation Reserve Fund).

RDA - The Records Disposition Authority is the primary record management agency for state government and directs the disposition of all records including electronic processed records and computer output microfilm records.

Glossary of Budget Terms

Reappropriation - The extension of the termination date for the availability of appropriated money.

Reclassification - A change in the duties and responsibilities of a state employee's job.

Recommended Funds - The funds proposed by the Governor for legislative approval, including the base budget and improvements.

Recurring Funds - Funds that are appropriated on an ongoing basis.

Reserve Funds - Funds held for future needs or a special purpose.

Reversion - The return of the unused portion of an appropriation to the fund from which the appropriation was made.

Revolving Fund - A fund provided to carry out a cycle of operations. The amounts expended from a fund of this type are restored by earnings from operations or by transfer from other funds. Thus, the fund is always intact in the form of cash, receivables, inventory, or other assets.

subsidy program offered through the Tennessee Housing Development Agency for individuals and families with very low income.

SFSP - The Summer Food Service Program is a federal program that provides reimbursements for nutritious meals served to eligible children at approved childcare facilities and other food service sites

Sinking Fund - See Debt Service fund.

Special Schools - Schools operated by the state Department of Education to provide educational opportunities in residential settings for legally blind, deaf, and multi-disabled children ages preschool to 21, and to provide a model rural high school.

Supervision Fees - Fees collected from felons under the supervision of the Board of Probation and Parole, used to defray the costs of supervision and rehabilitation.

Supplemental Appropriation - Additional appropriations to the original allotment authorized by the General Assembly after the beginning of the fiscal year.

S

SBE - Also known as the State Board of Education. This board serves as the governing and policy making body for the Tennessee system of public elementary and secondary education.

Second Injury Fund - A fund providing money for judgements against the State of Tennessee and for legal costs awarded by the state in order to encourage employers to hire workers with prior injuries or disabilities.

Section 8 - A federally funded rental

T

TANF - Also known as Temporary Assistance for Needy Families. Administered by the Department of Human Services, this program provides cash grants for families with financial need and dependent children deprived of support or care.

Taxpayers' Budget - The section of the budget that shows expenditures that are from state-generated tax revenue.

Tax Structure Study Commission - Created July 4, 2002 to perform a

Glossary of Budget Terms

comprehensive study of the tax structure in Tennessee.

TCAP - The Tennessee Comprehensive Assessment Program is used to assess academic progress of Tennessee students at specified points in their academic career.

THEC - Also known as Tennessee Higher Education Commission. This commission provides coordination, communication, policy analysis, and financial recommendations for the University of Tennessee System and the Tennessee Board of Regents System.

TLDA - Also known as Tennessee Local Development Authority; this authority is given the responsibility of issuing bonds and notes to provide funds to local governments and certain other entities for projects related to economic development and specific environmental and public health concerns.

TPA - Third Party Administrators contract with life and health insurance companies to collect premiums and adjust or settle claims relative to Tennessee resident's insurance coverage. The TennCare Oversight program in Commerce and Insurance reconciles claims submitted by Trading Partner Agreements.

TOMIS - Also know as the Tennessee Online Management Information System. TOMIS is a database containing all convicted felons.

TOPS - The Tennessee On-line Purchasing System is an automated purchasing system used by state departments.

TRICOR - Also known as Tennessee Rehabilitative Initiative in Correction. This agency administers the prison industry and farm program.

TRUST - Also known as the Title and Registration User System of Tennessee. A computer system that will automate title processing between county clerks, the general public, and the Department of Safety.

TSAC - Also known as Tennessee Student Assistance Corporation. This state agency administers state and federal financial aid to students in higher education.

U

USDOE - The U.S. Department of Energy is a federal agency charged with oversight of the distribution of funds for various energy-related initiatives.

W

West Tennessee River Basin Authority - Preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins.

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State of Tennessee

The Budget

Fiscal Year 2004 - 2005

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Department of Finance and Administration

M. D. Goetz, Jr., Commissioner

Gerald Adams, Deputy Commissioner

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